

Sustainability Report 2024

Kureha and Kureha Group

Sustainability Report 2024

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Sustainability

Sustainability Initiatives
(Fiscal 2023 Results)



Message from the President



Kureha Group's Sustainability →

Read about our corporate identity and sustainability activities.

[Sustainability Management](#) →

[The Kureha Group Creating
Shared Value](#) →

[Material Issues](#) →

[Value Chains and Sustainability
Activities](#) →

[Overview of Kureha Group Policies](#) →

ESG Report

Read about our ESG (Environmental, Social, and Governance)



**Environmental
Report**



**Social
Report**



**Governance
Report**



Contributing to the Solution of Environmental and Social Issues through Our Business



Read about Kureha products and services that contribute to the solution of environmental and social issues.



External Recognition →



GRI Standards Content Index/
SASB Content Index



ESG Data Collection



Sustainability Report
Archive



Sustainability Site
Editing Policy and
Contents of the Report



FAQ/Contact

Message from the President

GRI 2-22



In April 2023, the Kureha Group launched its mid- to long-term management plan, Toward Creating a New Future (FY2023-2030), with the aim of both improving medium- to long-term corporate value and contributing to a sustainable society.

Fiscal 2023, the first year of the plan, was much more challenging from a performance standpoint, ending much lower than expected with lower revenue and profits, because the polyvinylidene fluoride (PVDF) business for automotive lithium-ion battery binders, which had been positioned as the main growth driver, stagnated due to a temporary slowdown in the growth of the electric vehicle market. Therefore, looking ahead to fiscal 2025, we formulated the Rolling Plan 2025, a mid- to long-term management plan incorporating expansion of existing businesses, capital policy, and capital investment, and announced it in May 2024.

The electrification of automobiles is a global movement that holds the key to bringing about a carbon-neutral society, and the EV market continues to be a growing market, so we have decided to expand our Iwaki Plant PVDF manufacturing facilities. We will work to further expand our PVDF business and contribute to the realization of a carbon-neutral society through our business.

In our existing businesses as well, such as polyglycolic acid (PGA), household products, and agrochemicals, we will face the markets from the perspective of social value and aim to maximize the value of those businesses.

To bring about medium- and long-term improvement of corporate value and contribute to a sustainable society, it is essential to revitalize the company as a technology-driven company, strengthen the management foundation, and work for synergy between the company and employees. We have had many discussions about these within the company, set them as priority measures, and are implementing them.


- To revitalize the company as a technology-driven company, we are working to strengthen the governance, organization, and capabilities of the people in our technology divisions, as well as working to create new products and strengthen our production technology capabilities in the fields of environment and energy, life, and information and communication.
- To strengthen our management foundation, we optimized the business portfolio, including withdrawal from the multi-layer (ML) film business in the commercial-use food packaging materials business, and strengthening and streamlining of the structure through reorganizations within the Group. We will continue to evaluate the profitability of each business using ROIC as the indicator and proceed with improving our business structure and raise the profitability of the entire Group.
- To understand the issues we face as we seek to create synergy between the company and our employees, we conducted an engagement survey and town hall meetings with our internal directors and employees. Hearing the thoughts of our employees directly from them has provided us with many insights. We will

continue to create a company where employees can demonstrate their abilities with vitality and job satisfaction.

I am committed to leading our Group to produce results that will enable our stakeholders, including our shareholders and each and every employee, to really experience the growth of our Group and to become a company that is indispensable to society.

I would like to ask for your continued understanding and support.

August 2024

A handwritten signature in black ink, reading "Yutaka Kobayashi". The signature is written in a cursive, flowing style.

Yutaka Kobayashi

President & Chief Executive Officer

Kureha Group's Sustainability

Sustainability Management →	The Kureha Group Creating Shared Value →
Material Issues →	Value Chains and Sustainability Activities →
Overview of Kureha Group Policies →	

Sustainability Management

- ↓ Policy/Policies ↓ Promotion of Sustainability Activities
- ↓ Participation in Global Initiatives ↓ Initiative(s)/Activity(ies)

Policy/Policies

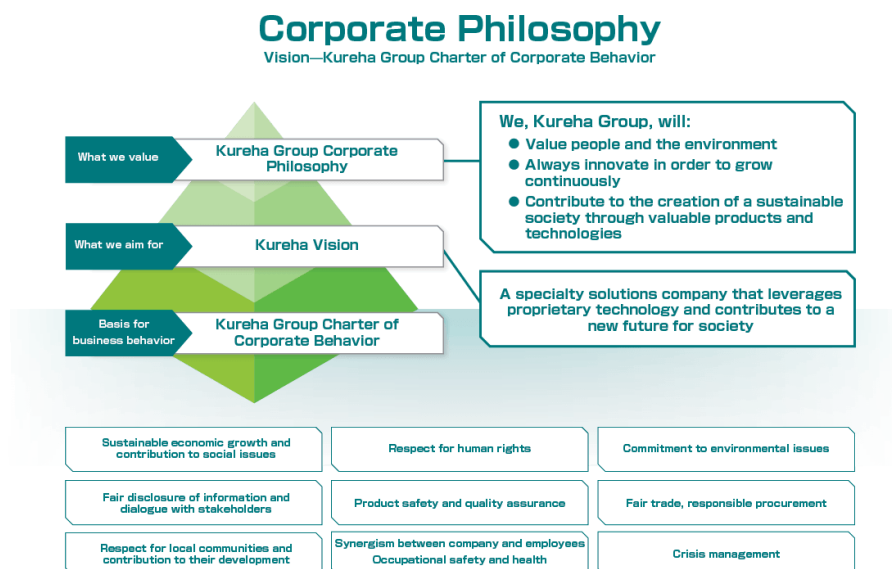
GRI 3-2

The business environment surrounding businesses is changing dramatically on a global scale. Progress in international efforts to address social and environmental issues, increased geopolitical risks due to conflicts and tensions between nations, and a pandemic are having a significant impact on corporate activities and future plans.

The Kureha Group aims to enhance its corporate value over the medium to long term by contributing to the development of a sustainable society through the development of corporate activities based on our Corporate Philosophy, Basic Policy on Sustainability, and proprietary technologies.

Kureha Group Philosophical System

In the spirit of "if it doesn't exist, create it," each of us in the Kureha Group will continue to produce products and technologies that contribute to enriching people's lives and reducing environmental impact under our Corporate Philosophy (What we value) and Vision (What we aim for).



→ Kureha Group Corporate Philosophy

Kureha Group Basic Policy on Sustainability

Kureha Group Basic Policy on Sustainability

We will implement the Kureha Group Corporate Philosophy, create the future by producing unique and differentiated products and technologies, and promote continuous improvement of economic value and contribution to solving social issues.

Promotion of Sustainability Activities

GRI 2-12, GRI 2-13, GRI 2-14

To ensure the implementation of sustainability initiatives, the Kureha Group has established a governance structure centered on the Sustainability Committee and the Sustainability Coordination Committee, and has oversight by its Board of Directors.

Board of Directors

The Board of Directors is responsible for making decisions on important sustainability matters for the Group. Based on the recommendations of the Sustainability Committee, it determines the Group's material issues. The Board also receives and supervises reports at least once a year on activities related to material issues from the Sustainability Coordination Committee and the departments in charge.

Sustainability Committee

The Sustainability Committee principally meets twice a year as an advisory committee to the Board of Directors. The Committee monitors changes in the business environment surrounding the Group with regard to sustainability and makes recommendations to the Board of Directors about basic management policies and strategies related to sustainability, such as identifying material issues that require special focus for the Group's sustainable growth and enhancement of corporate value over the medium to long term. The Committee also monitors material issues through reports from the Sustainability Coordination Committee and other means.

The Sustainability Committee is chaired by the President and Representative Director and consists of all directors. Experts from outside Kureha are invited to participate in discussions as needed.

Sustainability Coordination Committee

The Sustainability Coordination Committee has been established to promote sustainability activities throughout the Group. The Sustainability Coordination Committee identifies risks and opportunities that affect the sustainability of the Group and society as "sustainability issues," and works together with stakeholders to minimize risks and maximize opportunities. The Committee formulates specific plans for resolving sustainability issues, including material issues, in collaboration with its six subcommittees (Responsible Care Subcommittee, Compliance Subcommittee, Information Security Subcommittee, Information Disclosure Subcommittee, Human Rights Subcommittee, and Risk Management Subcommittee)

and the departments in charge of each issue, and manages the progress of these activities. These results are shared with the Sustainability Committee. The Committee also reports to the Board of Directors at least once a year on activities related to material issues.

The Sustainability Coordination Committee is chaired by the President & Chief Executive Officer (or an inside director or vice president appointed by the President & Chief Executive Officer), who appoints committee members from the divisions in charge of each sustainability issue and relevant departments.



Participation in Global Initiatives

Endorsement of the United Nations Global Compact (UNGC)

GRI 2-28

In July 2023, Kureha Corporation signed the UNGC to further promote the Group's corporate philosophy.

The UNGC is a global initiative that encourages companies and organizations to act as good members of society and achieve sustainable growth by demonstrating responsible and creative leadership. The Company will contribute to the realization of a sustainable society by upholding and practicing the Ten Principles set forth in the UNGC, which are in the four areas of the protection of human rights, the elimination of unfair labor practices, environmental responsibility, and the prevention of corruption.



Endorsement of the TCFD Recommendations

Kureha Corporation expressed its support for the TCFD recommendations* on April 20, 2022. The Company discloses its climate change initiatives in line with the TCFD's recommendations.



Initiative(s)/Activity(ies)

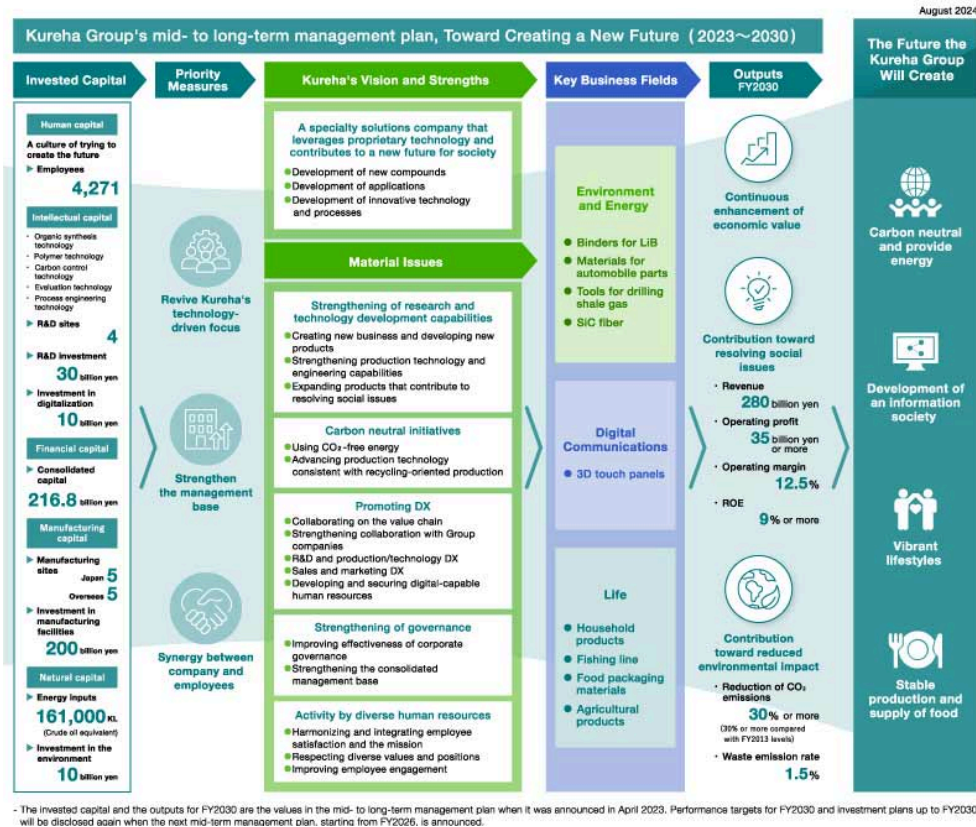
Sustainability Sharing Meeting

In FY2023, we held a video meeting to share thoughts on sustainability. In this meeting, we shared information with employees that is important for promoting activities on sustainability, such as on the Kureha Group Code of Conduct, climate change, respect for human rights and responsible procurement.

The Kureha Group Creating Shared Value

By adhering to our corporate philosophy, the Kureha Group strives to develop and provide unique and differentiated products and services while leveraging our strengths to contribute to a sustainable society and to improve our corporate value sustainably.

Kureha Group's Value Creation Process



→ [Click here to check the enlarged view](#)

→ Strengthen Research and Technology Development Capabilities

→ Climate Change (TCFD Recommendation-based Disclosure)

→ Promoting DX

→ Synergy Between Company and Employees

→ Contributing to the Solution of Environmental and Social Issues through Our Business

Material Issues

The Kureha Group aims to contribute to the development of society and improve its corporate value by leveraging its unique technologies and strengths to solve social issues.

We have identified material issues that require particular focus in order to continuously improve the economic value of the Group and contribute to solving social issues. We have also reorganized our environmental, social, and governance issues to be addressed as "sustainability issues," and are promoting sustainability management integrated with our management policy and mid- to long-term management plan.

↓ [Material Issues and Sustainability Issues](#)

↓ [Steps for Identifying Material Issues](#)

Material Issues and Sustainability Issues

GRI 3-2, GRI 3-3

Material Issues

Material Issues



Strengthening of research and technology development capabilities



Carbon neutral initiatives



Promoting DX



Strengthening of governance



Activity by diverse human resources

Sustainability Issues

Category	Sustainability Issues
Environment	Promotion of global warming countermeasures
	Proper management of waste
	Prevention of air pollution, Prevention of water pollution
	Management of chemical substances
	Preservation of biodiversity
Social	Development of human capital
	Balance of work and life
	Management of mental and physical health
	Safety and Health, Security and Prevention of Industrial Disasters, and Safety in Logistics
	Strengthening of quality assurance system and reduction of quality complaints
	Respect and contribute to the development of local communities
	Respect for human rights
	Responsible sourcing
	Fair information disclosure and dialogue
Governance	Strengthening of research and technology development capabilities
	Promotion of Digital Transformation (DX)
	Strengthening of governance
	Risk management
	Thorough compliance
	Strengthening of information security

Steps for Identifying Material Issues

GRI 3-1

The steps for identifying material issues and sustainability issues are as follows:

Step 1: Select issues

We comprehensively selected issues with reference to international guidelines, SDGs, and requests from stakeholders.

(Our corporate identity and policies, ISO 26000, and dialogue with stakeholders)

Step 2: Classify and organize issues

We organized the issues selected in Step 1, and for each issue, we examined its relationship to the value chain of our business activities and the stakeholders it affects.

Step 3: Consider our targets in fiscal 2030

In formulating the Group's mid- to long-term management plan for 2030, the management team and others considered what society would be like in 2030, and a vision for the Group as of that time, and established the Kureha Vision: "A specialty solutions company that leverages proprietary technology and contributes to a new future for society," and three objectives: "Continuous enhancement of economic value," "Contribution toward resolving social issues," and "Contribution toward reduced environmental impact".

Step 4: Identity and approve material issues

The Sustainability Committee identified and the Board of Directors approved material issues, must be focused on to realize our three objectives: "Continuous enhancement of economic value," "Contribution toward resolving social issues," and "Contribution toward reduced environmental impact". Material issues are reviewed regularly by the Sustainability Committee and approved by the Board of Directors.

In addition, we reorganized the issues that the Group should address with respect to its impact on the environment and society as "sustainability issues," which were approved by the Sustainability Coordination Committee.

The structure for promoting sustainability, including material issues, is described on the Sustainability Activities page.

→ [Promotion of Sustainability Activities](#)

Value Chains and Sustainability Activities

GRI 2-6

	Research and development	Procurement	Manufacture	Logistics	Sales	Products Usage	Dispose of Products
→ Environment	→ Climate Change (TCFD Recommendation-based Disclosure)						
			→ Recycling of Resources, Proper Management and Disposal of Waste				
			→ Management of Chemical Substances, Prevention of Air Pollution, Water Use and Prevention of Water Pollution				
	→ Management of Chemical Substances						
			→ Addressing Biodiversity				
	→ Contributing to the Solution of Environmental and Social Issues through Our Business						
→ Social	→ Stakeholder Engagement						
	→ Human Rights Efforts						
	→ Product Safety and Quality Assurance						
		→ Purchasing and Procurement					
	→ Synergy Between Company and Employees						
			→ Safety and Health, Security and Prevention of Industrial Disasters, and Safety in Logistics				
→ Governance	→ Governance Report						

Stakeholder Engagement	Research and development	Procurement	Manufacture	Logistics	Sales	Products Usage	Dispose of Products
Shareholders and Investors	○	○	○	○	○	○	○
Customers & Clients	○				○	○	○
Business partners (procurement sources, subcontractors)		○		○			
Employees	○	○	○	○	○		
General Public		○	○			○	○
Local Community		○	○				
Government Agencies Industry Groups	○	○	○	○	○	○	○

Overview of Kureha Group Policies

GRI 2-23

The Kureha Group promotes each of its activities under the following policies and guidelines based on our corporate philosophy.

→ Kureha Group Corporate Philosophy

→ Kureha Vision

→ Kureha Group Charter of Corporate behavior

1. Sustainable economic growth and resolution of social issues

→ Kureha Group Basic Policy on Sustainability

2. Respect for human rights

→ Kureha Group Human Rights Policy

3. Commitment to environmental issues

→ Responsible Care Policy

4. Fair disclosure of information and dialogue with stakeholders

→ Basic Policy on Information Disclosure

5. Relationship of trust with consumers and customers

→ Responsible Care Policy

→ Kureha's Quality Policy

→ Behavioral Guidelines for Customer Satisfaction

6. Respect for local communities and contribution to their development

→ Responsible Care Policy

7. Fair trade, responsible procurement

→ Kureha Group Procurement Policy

→ Kureha Group Anti-Bribery Policy

8. Synergism between company and employees, occupational safety and health

→ Internal Environmental Improvement Policy for Creating a Comfortable Workplace (Japanese Only)

→ Basic Policy on Health

→ Policy for Ensuring and Developing Diverse Human Capital

9. Crisis management

- Kureha Group Basic Policy on Risk Management
- Kureha Group Basic Policy on Information Security
- Policies for the Protection of Personal Information and Specific Personal Information

Governance

- Corporate Governance Guidelines
- Kureha Group Tax Policy

Environmental Report

Environmental Management →	Overview of Environmental Impact →
Climate Change (TCFD Recommendation-based Disclosure) →	Recycling of Resources, Proper Management and Disposal of Waste →
Management of Chemical Substances, Prevention of Air Pollution, Water Use and Prevention of Water Pollution →	Addressing Biodiversity →

Environmental Management

In the interest of conserving the global environment and reducing the burdens that we place on it, the Kureha Group makes effective use of raw materials, energy, water, and other resources that we use in our business activities, while reducing and recycling the waste we generate in our activities and actively undertaking proper management of chemical substances, including those that impact the environment. We also make the outcomes of these activities known to the public.

↓ Policy/Policies ↓ Management Structure

Policy/Policies

Kureha Group is working on preservation of the global environment and has the following commitments in its Responsible Care Policy.

- Earth-friendly, safe operations

We shall take special care to preserve the global environment in our business activities, protect the safety and health of employees and the public in our operations, and make efforts to prevent accidents, disasters, and pollution.

Management Structure

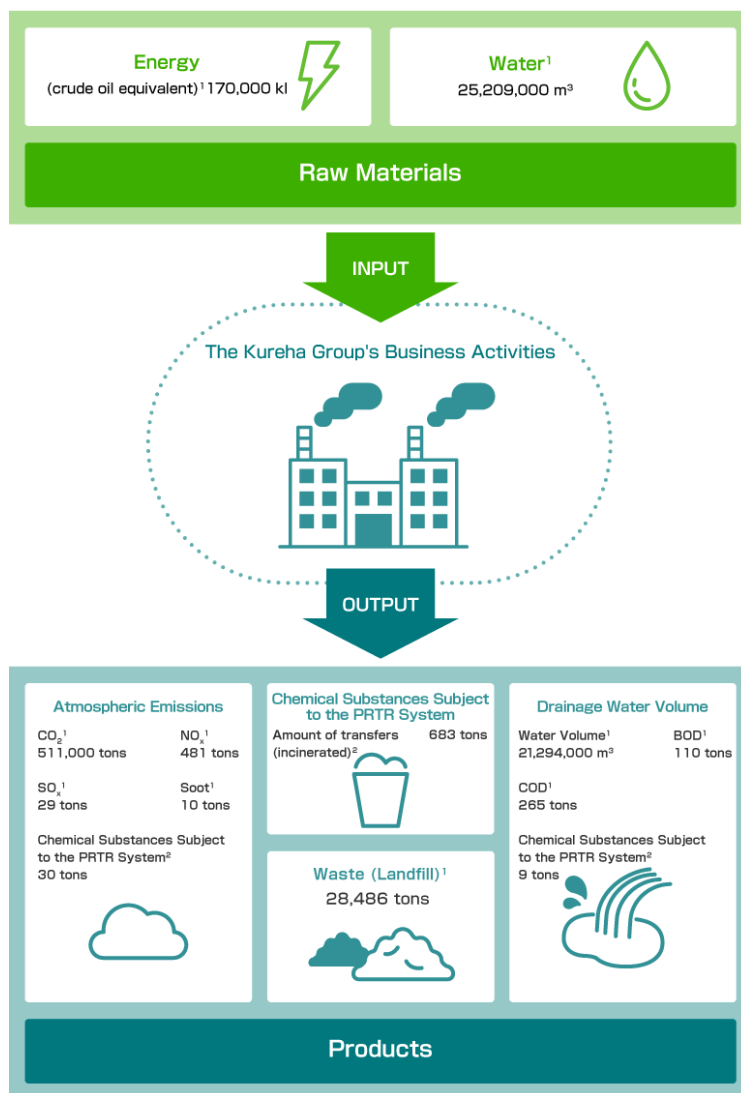
The Kureha Group has ISO 14001 certification*, the international standard for environmental management systems, at its production sites in Japan and overseas, and operates under this standard. The Group works to protect the global environment and reduce environmental impact by promoting the proper management of, and prevention of emissions of, environmentally hazardous substances, the effective use of limited resources, and the reduction of waste in daily production activities while also promoting awareness on the part of each and every employee. In addition, the Group has a company-wide project, the Carbon Neutrality Project, to oversee and promote its efforts to become carbon neutral by 2050 and its implementation of industrial waste reduction measures to achieve the target of zero emissions.

* Please contact us for more information about the scope of our ISO certification.

Overview of Environmental Impact

Overview of Kureha Group's Environmental Impact (FY2023)

GRI 302-1, GRI 303-3, GRI 303-4, GRI 305-7, GRI 306-5



¹ Kureha Group overall

² Kureha and Kureha Group companies in Japan (9 companies)

Climate Change (TCFD Recommendation-based Disclosure)

Amidst the increasing number of large-scale natural disasters caused by abnormal weather conditions around the world, the Kureha Group views climate change as a material issue and aims to reduce environmental impact through the advancement of production technologies and achieve carbon neutrality by fiscal 2050.

Since endorsing the Task Force on Climate-related Financial Disclosure (hereafter, TCFD) recommendations* in April 2022, we have been promoting information disclosure in line with the TCFD framework in order to strengthen the Group's engagement with shareholders, investors, and other stakeholders on climate change.

* At the request of G20 countries, the Financial Stability Board (FSB) established the Task Force on Climate-related Financial Disclosures (TCFD) to examine how climate-related disclosure should be conducted and how financial institutions should respond. Having released its final report in June 2017, the TCFD recommends that corporations and other entities disclose information on governance, strategy, risk management, and metrics and targets related to the risks entailed in and opportunities provided by climate change.

↓ Governance ↓ Strategy ↓ Risk Management ↓ Metrics and Targets
↓ Initiative(s)/Activity(ies)

Governance

To ensure the implementation of sustainability initiatives such as responses to climate change, the Kureha Group has established a governance structure centered on the Sustainability Committee and the Sustainability Coordination Committee and has oversight by its Board of Directors. The roles of each of the committees are as follows.

(1) Board of Directors

The Board of Directors is responsible for making decisions on important sustainability matters for the Group. The Board of Directors determines material issues based on the recommendations of the Sustainability Committee. Furthermore, the Board of Directors formulates and agrees on mid- to long-term management plans that reflect the initiatives for the material issues and disseminates the plan to each department. At least once a year, the Board of Directors receives reports from the Sustainability Committee on activities related to material issues, including carbon neutral initiatives, and supervises them.

(2) Sustainability Committee

The Sustainability Committee principally meets twice a year as an advisory committee to the Board of Directors. The Committee monitors changes in the business environment surrounding the Group with regard to sustainability and makes recommendations to the Board of Directors about basic management policies and strategies related to sustainability, such as identifying material issues that require special focus for the

Group's sustainable growth and enhancement of corporate value over the medium to long term. The Committee also monitors material issues through reports from the Sustainability Coordination Committee and other means.

(3) Sustainability Coordination Committee

The Sustainability Coordination Committee identifies risks and opportunities that affect the sustainability of the Group and society as "sustainability issues," and works together with stakeholders to minimize risks and maximize opportunities. The Committee formulates specific plans for resolving sustainability issues, including material issues, in collaboration with its six subcommittees (Responsible Care Subcommittee, Compliance Subcommittee, Information Security Subcommittee, Information Disclosure Subcommittee, Human Rights Subcommittee, and Risk Management Subcommittee) and the departments in charge of each issue, and manages the progress of these activities. These results are shared with the Sustainability Committee. One of the material issues, carbon neutral initiatives, is addressed by the Responsible Care Subcommittee, and the results are shared with the Sustainability Committee. The Sustainability Coordination Committee reports at least once a year to the Board of Directors on activities related to material issues such as climate change.

(4) Carbon Neutrality Project

The Carbon Neutrality Project was established in October 2021 as a company-wide project under the direct control of the President, and is working to study new measures and develop technologies to achieve carbon neutrality by 2050.

Climate Change Response-Related Governance System

Committee name	Chairman	Constituents	Frequency of discussion of climate change
Sustainability Committee	President & Chief Executive Officer Yutaka Kobayashi	All directors and the chair of the Sustainability Coordination Committee	Two times per year
Sustainability Coordination Committee	Senior Vice President Hiroyuki Tanaka	Nominated by Chair	Two times per year

Strategy

SASB RT-CH-110a.2

The Group regards carbon neutral initiatives as material issues, and under the Kureha Group New Mid- to Long-term Management Plan "Toward Creating a New Future," we are working to mitigate climate change both by reducing CO₂ emissions from the Group and through our products, aiming to achieve carbon neutrality by fiscal 2050.

To reduce the Group's CO₂ emissions, the Iwaki Factory will make use of CO₂-free fuel at its coal-fired power plant, conserve energy through production technology innovation, expand the use of CO₂-free electricity at each business site and Group company, and increase the efficiency of large-scale facilities and equipment when they are upgraded, in line with the Management Plan. In addition, to contribute to the reduction of CO₂ emissions through our products and technologies, we are improving the performance and

developing technologies aimed at reducing the environmental impact of advanced materials such as polyvinylidene fluoride (PVDF) and polyphenylene sulfide (PPS), and conducting R&D aimed at bringing even more highly advanced materials to market.

Investment Plan

In our Mid- to Long-term Management Plan, we plan to invest a total of approximately ¥10 billion by fiscal 2030 in measures to reduce CO₂ emissions in production and waste reduction, etc. We will continue to make decisions on investments to reduce CO₂ emissions based on future risks and opportunities.

Scenario Analysis

GRI 201-2, SASB RT-CH-110a.2

We have taken the following steps to conduct a scenario analysis of the impact of climate change on our Group. We examined the impact on our profit-and-loss projection and financial plan, and have categorized risks, opportunities, and countermeasures into short, medium, and long term.

1. Create a list of risks and opportunities from climate change that could have a long-term impact on its advanced materials, specialty chemicals, specialty plastics, and construction businesses and environmental services, which comprise the majority of the Group's businesses, and related responses in line with business planning and the R&D Policy.
2. Set three scenarios—growth scenario (1.5°C), standard scenario (2°C), and stagnation scenario (4°C).
3. Score the importance of risks and opportunities for each scenario by dividing the period up to 2050 into short (0-3 years), medium (3-10 years), and long (10-30 years) term.
4. Estimate the impact of highly important risks and opportunities on profit-and-loss projection and financial planning
The impact of a carbon tax was estimated by assuming that the Group's total emissions in the medium to long term will be approximately 430 thousand t-CO₂/year (Scope 1+2), the same level as in FY2021, and based on a carbon tax price for each production site equal to that used in the Net Zero Emissions scenario of the IEA World Energy Outlook 2021 (equivalent to the progress scenario, developed countries: approximately 18 thousand yen/t-CO₂).
5. Based on the estimated amount of impact, identify risks and opportunities of high importance and formulate countermeasures

Highly Important Climate Change-Related Risks, Associated Opportunities and Responses

Type	Cause	Risks		Opportunities	Responses
		Short and medium term	Long term	Short, medium, and long term	
Transition risks	Policies and regulations	<ul style="list-style-type: none"> ● Increase in tax burden due to introduction of a carbon tax (The burden will increase by about 7.3 billion yen/year.) 		<ul style="list-style-type: none"> ● Gaining business opportunities with differentiation based on early decarbonization 	<ul style="list-style-type: none"> ■ Use of CO₂-free fuels at our in-house coal-fired power plants ■ Expand the use of CO₂-free electricity ■ Develop and introduce CCU/CCS-related technology
		<ul style="list-style-type: none"> ● Increase in transition costs related to switching from electricity generated by in-house coal-fired power plants 		<ul style="list-style-type: none"> ● Greater business opportunities with the introduction of low carbon technology 	
		<ul style="list-style-type: none"> ● Increase in cost of reducing waste plastics due to the Plastic Resource Circulation Act 		<ul style="list-style-type: none"> ● Greater demand for environment-related businesses 	<ul style="list-style-type: none"> ■ Promote new environment-related businesses ■ Promote reuse of waste plastic ■ Develop and introduce new recycling technology
		<ul style="list-style-type: none"> ● Increase in the price of raw materials and fuel ● Increase in transportation costs 			<ul style="list-style-type: none"> ■ Switch raw materials and reduce fuel use ■ Create high value added products
	Technology	<ul style="list-style-type: none"> ● Increase in low carbon technology and product R&D costs ● Increase in R&D costs to improve efficiency of existing process, etc. 		<ul style="list-style-type: none"> ● New business opportunities based on development of low carbon technology 	<ul style="list-style-type: none"> ■ Develop and introduce energy creation and low carbon technology ■ Develop and introduce high-performance materials and technologies

Type	Cause	Risks		Opportunities	Responses
		Short and medium term	Long term	Short, medium, and long term	
	Market	<ul style="list-style-type: none"> Decline in market competitiveness due to delay in introducing low carbon versions of existing products 		<ul style="list-style-type: none"> Greater demand for environmentally friendly products and materials 	<ul style="list-style-type: none"> Develop environmentally friendly products (for cars, electronic/electric devices, etc.) Promote energy-efficient processes
	Reputation	<ul style="list-style-type: none"> Criticism from consumers and demand for response from investors regarding GHG emissions 		<ul style="list-style-type: none"> Gaining of stable funding sources by indicating response to decarbonization and recycling 	<ul style="list-style-type: none"> Improve disclosure and communication to respond to the interests of consumers and investors
Physical risks	Acute	<ul style="list-style-type: none"> Delay or suspension of production due to supply chain disruptions caused by natural disasters Delay or suspension of production due to damage to production factories and infrastructure and lifelines caused by natural disasters 		<ul style="list-style-type: none"> Increase in disaster response and reconstruction (construction business) 	<ul style="list-style-type: none"> Reinforce supply chain Regularly identify and reduce risks
	Chronic	<ul style="list-style-type: none"> Increase in the number of employee health problems (heat stroke, infections, etc.) Increase in need for temperature and humidity control for storage and transportation of raw materials and products 		<ul style="list-style-type: none"> Greater demand for agricultural products 	<ul style="list-style-type: none"> Strengthen quality controls Develop new agricultural products

● Impact: large (2 billion yen or more) ● Impact: medium (1 billion yen or more but less than 2 billion yen)

Risk Management

The Kureha Group identifies risks that could have a material impact on the Group's management, and works to prevent such risks from materializing and to minimize their impact if they do materialize. And for this purpose, the Risk Management Subcommittee, a subcommittee of the Sustainability Coordination Committee, identifies risks that could have a material impact on the Group's management. Depending on the classification of the identified risks, each subcommittee and/or related department takes the lead in

considering and implementing a response. The status of risk management is monitored and evaluated by the Risk Management Subcommittee, which reports to the Sustainability Coordination Committee and the Executive Committee, which in turn reports to the Board of Directors. The Group recognizes climate change as one of the major risks that could have a significant impact on the Group's management. The Responsible Care Subcommittee, a subcommittee of the Sustainability Coordination Committee, takes the lead in carbon neutral initiatives in cooperation with the Risk Management Subcommittee.

Metrics and Targets

GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5, SASB RT-CH-110a.2

The Kureha Group aims to achieve carbon neutrality by fiscal 2050 and to reduce its environmental impact through the advancement of production technology, and has set an interim target of reducing energy-related CO₂ emissions by 30% or more from the fiscal 2013 level by fiscal 2030.

Kureha Group's CO₂ Emission Reduction Target

- Aim for carbon neutrality in fiscal 2050
- Reduce energy-related CO₂ emissions by 30% or more by fiscal 2030 compared to fiscal 2013

The Company calculates both the overall Group's direct greenhouse gas (GHG) emissions from use of fuel and energy, etc., (Scope 1) and its indirect greenhouse gas (GHG) emissions from the use of energy purchased from other companies, including electricity, heat, and steam, (Scope 2) and discloses these as indicators of progress toward its goals. As a chemical company, Kureha recognizes that it is also important to manage emissions throughout the supply chain (Scope 3), from raw material purchases to waste disposal, and has begun to calculate those.

In addition, we are developing environmentally friendly products and technologies to contribute to the reduction of global GHG emissions, including new grades of existing products.

Kureha Group Energy-Related CO₂ Emission

SASB RT-CH-110a.1

	Unit	FY2013	FY2019	FY2020	FY2021	FY2022	FY2023
Kureha	1,000t - CO ₂	426	376	363	379	393	367
Group Companies in Japan		21	23	21	20	22	21
Overseas Group Companies		18	28	28	30	26	24
Total		465	428	412	429	442	412
vs. FY2013	%	100.0	92.0	88.6	92.2	95.1	88.6

Scope 1 and 2 GHG Emissions (Kureha Group: Unit: 1,000 t-CO₂)

		FY2019	FY2020	FY2021	FY2022	FY2023
Kureha	Scope1	356	340	359	355	327
	Scope2	30	31	31	38	41
	Total	386	371	390	393	367
Group Companies in Japan	Scope1	166	154	160	103	102
	Scope2	6	6	5	20	19
	Total	171	159	165	123	120
Overseas Group Companies	Scope1	4	4	4	3	3
	Scope2	24	24	26	23	21
	Total	28	28	30	26	24
Total		586	559	585	542	511

* Calculated GHG is CO₂ emissions, both related to energy and those not related to energy.

* The Scope 1 calculation method was revised in FY2022.

GHG Emissions by Scope (Kureha: Unit: 1,000 t-CO₂)

		FY2023
Scope 1		327
Scope 2		41
Scope 3	Category 1: Purchased goods and services	267
	Category 2: Capital goods	18
	Category 3: Fuel- and energy-related activities	37
	Category 4: Upstream transportation and distribution	59
	Category 5: Waste generated in operations	1
	Category 6: Business travel	0.2
	Category 7: Employee commuting	0.7
	Category 12: End-of-life treatment of sold products	52
Total		802

Initiative(s)/Activity(ies)

CO₂ Emissions Reduction Efforts

／ Promoting Energy Conservation

At the Iwaki Factory, we are steadily implementing energy saving plans, such as systematically updating to energy-saving equipment. We are also implementing various activities to promote energy conservation, such as energy-saving patrols and internal energy audits. In logistics, too, Kureha Unyu, which is responsible for the transport of our products, and relevant internal departments are working together to systematically

upgrade to energy-saving vehicles. Other sites, such as the head office, are also promoting their own energy-saving and conservation activities.

／ Use of Renewable Energy Sources

GRI 302-1

In line with Japan's policies promoting the spread of renewable energy, we have installed solar power generation equipment at the Iwaki Factory that generates approximately 300 MWh of energy for the region per year.

Kureha Group has production sites in the United States, the Netherlands, China, Vietnam, and other countries. Each country's energy policies are different, but each of our production sites are actively promoting climate change mitigation measures, such as switching the electricity we use to renewable energy, according to the policies of each country. For example, our Europe-based company KREHALON B.V. already runs 100% on electricity from renewable sources. Also, China-based Kureha (Shanghai) Carbon Fiber Materials Co., Ltd. is proactively introducing solar power generation.

／ Product Carbon Footprint (CFP) Calculation

CFP is an indicator of CO₂ emissions throughout the product lifecycle, from the procurement of raw materials to production and use, and disposal. We have begun to calculate product CFPs for our main products.

In addition, because it is necessary to reduce CO₂ emissions throughout the supply chain in order to achieve carbon neutrality the company is promoting the exchange of CFP information with our suppliers.

／ Reducing CO₂ Emissions in Logistics

We are reducing CO₂ emissions by increasing the size of our fleet, shortening the total transport distance and promoting a modal shift to transport by rail and ship to achieve our target of an average annual improvement of 1% or more in energy consumption intensity*.

* Kureha's energy consumption intensity (logistics): an indicator of how efficiently we used energy as a specified shipper during the year in accordance with the revised Energy Saving Act 2006, which we calculate by dividing our energy consumption (crude oil equivalent) by the transport weight.

Endorsement of Regional Carbon Neutrality Declarations

In February 2021, the government of Fukushima Prefecture issued its "Fukushima Prefecture 2050 Carbon Neutral" declaration aimed at achieving a decarbonized society by 2050. With this action, the Fukushima Protocol, under which our Iwaki Factory has participated in advancing voluntary measures to combat global warming, has now become the Fukushima Zero Carbon Declaration. As our Group is also working to achieve carbon neutrality by fiscal 2050, the Iwaki Factory is in agreement with the aims of this declaration.

Contribution to Carbon Neutrality through Products

→ [Contributing to the Solution of Environmental and Social Issues through Our Business](#)

Recycling of Resources, Proper Management and Disposal of Waste

With the conservation of resources and the reduction of our impact on the environment in mind, we make efforts to reduce our generation of waste and promote recycling to reduce the volume of waste generated from production activities at our business sites that is disposed of in a landfill. We also work to manage and dispose of waste in compliance with laws and regulations.

- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)
- ↓ Industrial Waste Final Disposal Sites : Maintenance Information

Target(s) and What We Have Done/Are Doing

Kureha's Waste Emission Rate* Targets

1. Achieve a waste emission rate of 1.5% by fiscal 2025
2. Maintain a waste emission rate of 1.5% in fiscal 2030

* Definition of waste emission rate: volume of industrial waste sent to final disposal (landfill) ÷ total volume generated (excluding volume from construction work).

The waste emission rate for fiscal 2023 was 5.6%.

Initiative(s)/Activity(ies)

Recycling of Waste Materials

Kureha strives to reduce the generation of waste from each production facility by improving production efficiency and reducing production losses. The amount of coal ash discharged from the coal-fired power plants at the facilities accounts for the majority of waste, which is contracted to a recycling company for recycling as a raw material for cement and other materials. For other wastes, efforts are being made to further reduce the volume sent to a landfill for disposal by developing products that use production losses and promoting recycling by considering disposal methods.

Kureha steadily carries out the recycling obligations it bears under the Containers and Packaging Recycling Law. Since fiscal 2002, we have outsourced recycling, mainly of paper and plastic containers and packaging, under contract to the Japan Containers and Packaging Recycling Association, a designated corporation and a public interest incorporated foundation.

Waste Management

Kureha complies with waste-related laws and regulations and works to properly manage waste. The ISO 14001 environmental management system is used to educate and raise awareness among employees, as well as to systematically confirm that waste storage sites are properly managed and waste is properly stored. Regular on-site checks are also carried out on contract recycling and waste contractors to monitor the status of management and treatment.

Awareness of, and Initiatives on, Marine Plastic Pollution and Recycling of Plastics

GRI 306-2

The Kureha Group is committed to providing useful products and services based on technology, while at the same time striving for environmentally friendly production activities. We are working on initiatives to tackle the problem of marine plastic pollution and other plastic resource recycling.

Basic Awareness

As a plastics manufacturer, the Kureha Group has the following basic awareness of environmental issues: Plastics have a wide variety of uses and, when their unique characteristics are effectively utilized, they contribute to such things as increasing energy efficiency and reducing food loss.

However, since their recycling rate is still quite low and because they are improperly disposed of, they end up as marine plastic waste, becoming a huge factor in environmental pollution.

We at the Kureha Group believe it is necessary to participate in the global effort toward:

1. Development of a plastic recycling system, and
2. Prevention of pollution by marine plastic waste.

Group Initiatives

In order to fulfill our corporate social responsibility, the Kureha Group is taking the following measures against these issues:

Promoting the three R's (reduce, reuse, and recycle)

1. Reducing losses and examining ways to reuse and recycle in the manufacturing process
2. Promoting environmental businesses such as recycling and heat recovery technologies

Responding in product design and development

1. Designing products which reduce household waste and simplify the task of garbage separation
2. Reducing raw materials used while maintaining functionality
3. Developing biodegradable plastic products such as PGA degradable plugs

Promoting efforts to prevent littering on land and into the ocean

1. Raising consumer awareness through proper labeling of product disposal
2. Preventing plastic waste leaking into water bodies during the manufacturing process

3. Collaborating with local and regional governments to eradicate littering and illegal dumping

4. Promoting cleanup efforts around each business site and neighboring areas

We will continue to make sincere efforts, together with industry Groups, to fulfill our corporate responsibility to preserve the natural environment according to the policies and plans of the international community and the Japanese government.

* PGA "Kuredux" is certified as a biodegradable plastic in Europe and Japan.

Targets for Reducing Plastic Waste Emissions (Plastic Resource Circulation Act)

GRI 306-3

In accordance with the Plastic Resource Circulation Act*, which came into force in April 2022, we, as a business that generates industrial waste from plastic products, actively work to reduce waste generation and recycle waste, and disclose relevant information. In addition, to raise awareness within the company, internal training on the Plastic Resource Recycling Act is provided on an ongoing basis.

* A law involving the promotion of resource recycling related to plastics

Industrial Waste Final Disposal Sites : Maintenance Information

→ [About the disclosure of industrial waste final disposal site maintenance information \(Japanese Only\)](#) 

Management of Chemical Substances, Prevention of Air Pollution, Water Use and Prevention of Water Pollution

- ↓ Management of Chemical Substances
- ↓ Prevention of Air Pollution
- ↓ Water Use and Prevention of Water Pollution

Management of Chemical Substances

GRI 417-1

Chemical substances are an indispensable factor in the enrichment, comfort, and convenience of daily life, and we use many different chemicals in daily life and in industry. However, some chemicals may have an adverse effect on the environment and human health. To minimize these adverse effects, international goals and strategies for chemical substance management are being formulated, and laws and regulations based on these are being developed all around the world. This has been reflected in the Sustainable Development Goals (SDGs) adopted by the United Nations in 2015.

Kureha handle all of our products in compliance with domestic and international chemical substance regulations. We also provide all necessary information about the adverse effects of chemicals in our products to domestic and overseas customers through Safety Data Sheets (SDS)* and labels, and always respond to customer surveys. Furthermore, we disseminate information about harmful chemicals within and without Kureha as the need arises.

In addition to the above, we continuously conduct education for departments involved at every stage, to ensure that we properly comply with laws and regulations on chemical substances throughout the life cycles of our products.

* This document is issued when a business transfers or provides a chemical substance or a product containing a chemical substance to another business. SDSs are prepared in accordance with Japanese Industrial Standards' (JIS) statement (Method of communicating chemical hazard and toxicity information) and are issued to users, etc., of chemical substances.

Initiative(s)/Activity(ies)

Actions in Japan

Throughout every process from the procurement of raw materials to the manufacturing and shipment of products, Kureha complies with laws and regulations in Japan. We also engage in active disclosure of information in accordance with laws, including national-, prefectural-, and regional-level communication of information on the state of environmental impacts from our manufacturing. We have also introduced management systems for quality, the environment, and occupational safety and health, and are making efforts to raise the level of our chemical substance management through the use of the PDCA cycle.

／ Actions Overseas

Kureha is expanding its business activities globally. Following the lead of the European REACH regulations,* countries worldwide are moving to develop registration systems for chemicals. Although the situation is complicated by countries' specific systems and circumstances, we are conducting surveys to support our global expansion and are steadily taking actions such as registering our products in countries to which we export. We also conduct regular education related to chemical regulations overseas to enhance legal understanding and compliance awareness.

* Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH): Regulations involving the registration, evaluation, authorization and restriction of chemicals in the EU.

／ Reduction of Chemical Substance Emissions

To lower the environmental impacts of chemical substances as much as possible, Kureha continuously works to reduce the volumes of chemical substances discharged from production activities at our business sites. In line with the Act on the Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion Improvements to the Management Thereof (PRTR system), every year we assess the volumes of our discharges (Air, Public water bodies, Land on site, Landfill on site) and transfers (Sewage, Off-site) of class I designated chemical substances, and check and disclose our own status with regard to these. To reduce emissions of the substances, we study improvements to equipment and work to maintain stable operation, while also examining measures to reduce environmental impacts from the design stage onward when expanding or installing equipment.

→ [ESG Data Collection \(Emissions of Class I Designated Chemical Substances\)](#) 


Prevention of Air Pollution

Fully recognizing the impacts that atmospheric emissions from our production sites can have on the environment and on local communities, the Kureha Group continually strives to minimize these as an ongoing material issue.

Most of Kureha's atmospheric emissions come from our main production site, the Iwaki Factory. The emissions of air pollutants at Iwaki Factory, such as sulfur oxides (SOx) and nitrogen oxides (NOx), were kept under a level set voluntarily by Kureha and agreed upon by local authorities as well as the emission standards set based on the Air Pollution Control Act.

In February 2022, the factory renewed a pollution control agreement with Iwaki City and set stricter limits on the emission of SOx, NOx, and soot and dust. The factory continues to operate well within those values.

Target(s) and What We Have Done/Are Doing

→ [ESG Data Collection \(Calculated amount of fluorocarbon leakage, SOx · NOx · Soot and dust emission volume, Emissions of Class I Designated Chemical Substances\)](#) 

Measurements from Soot- and Smoke-Generating Facilities Based on the Pollution Control Agreement with Iwaki City

→ Disclosure of measurements from soot- and smoke-generating facilities based on the pollution control agreement with Iwaki City (Japanese Only) 

Water Use and Prevention of Water Pollution

GRI 303-1, GRI 303-2, GRI 303-4, SASB RT-CH-140a.3

Water resources are irreplaceable resources for our earth and are indispensable to the production activities of the Kureha Group. We recognize that the conservation of these resources is a vital global issue and address conservation as one of our material issues.

Kureha's main production site, our Iwaki Factory, uses large amounts of water in its chemical product manufacturing processes (heating, cooling, cleaning, removal of by-products, etc.). This accounts for the majority of our Company's water usage. While the risk of water shortages (water stress) in our water intake is low, we fully recognize that wastewater discharged from our treatment facilities into river and sea areas can impact the environment and local communities. Accordingly, we strive to properly manage wastewater in compliance with all laws and regulations and to thereby reduce our impacts on the environment.

Target(s) and What We Have Done/Are Doing

→ ESG Data Collection (Water withdrawal, Emissions of Class I Designated Chemical Substances) 

Initiative(s)/Activity(ies)

／ Initiatives at the Iwaki Factory

At the Iwaki Factory, we comply with the emission standards set by the Water Pollution Prevention Act and local ordinances. Furthermore, in February 2022, the factory renewed a pollution control agreement with Iwaki City and set even stricter limits on chemical oxygen demand (COD). The factory continues to operate well within those values. At each of our manufacturing sites, we are working to reduce our environmental footprint by making a daily effort to maintain stable operation of wastewater treatment equipment. We are also working to ensure thorough wastewater management by making improvements to our machines and updating our water quality monitoring equipment.

／ Initiatives at the Plastics Processing Factory

Our Plastics Processing Factory (Ibaraki), located in the Lake Kasumigaura basin, conducts monthly water quality inspections along with daily patrols and continuous pH monitoring of wastewater, in accordance with emission standards ordained in the Water Pollution Prevention Act and the applicable local ordinance. At the Plastics Processing Factory (Hyogo), too, we conduct voluntary water quality analysis and in fiscal 2022 began continuous monitoring of wastewater pH to continue proper management. Since groundwater is pumped and used in industry in both districts, we also keep the amount of water collected within the limits set by the Industrial Water Act and local ordinances related to pumping groundwater.

Addressing Biodiversity

GRI 101-4, GRI 101-5

Conservation of biodiversity, along with action on climate change, is becoming increasingly important for establishing a sustainable society, and is widely recognized as a global environmental issue that should be tackled in tandem with action on climate change. Over the past 50 years human activities have caused the extinction of species and the degradation of ecosystem services. Kureha Group is committed to understanding the dependence and impact of its business activities on natural capital, and to formulating and promoting initiatives for the conservation and restoration of biodiversity.

- ↓ **Understanding the Relationship between Our Business and Nature: Dependence and Impact**
- ↓ **Analysis of Water Risk at Direct Operation Sites**

Understanding the Relationship between Our Business and Nature: Dependence and Impact

SASB RT-CH-140a.3

To understand the relationship between the Kureha Group and natural capital, we targeted our direct operations to get a grasp of the underlying dependence and impact on nature of the Group's main business area, the chemical products business.

To determine dependence and impact, the Global Industry Classification Standard was used and the sub-industries (specialty chemicals and commodity chemicals) to which Kureha Group's chemical products business corresponds were selected, and ENCORE (Exploring Natural Capital Opportunities, Risks and Exposure)*, an analytical tool, was used. The analysis showed that, with regard to dependence on nature, the company's chemical operations are likely to be highly dependent on groundwater and surface water, and with regard to impacts, the company's chemical operations are likely to have an impact on nature through water use, terrestrial ecosystem use, GHG emissions, non-GHG air pollutants, water pollutants, soil pollutants and solid waste.

* Online tool developed jointly by international financial industry associations in the natural capital sector, the United Nations Environment Programme World Conservation Monitoring Centre (UNEP-WCSC) and others.

Analysis of Water Risk at Direct Operation Sites

GRI 303-1, SASB RT-CH-140a.3

An analysis of water risk regarding the water-related dependencies (groundwater and surface water) and impacts (water use) identified in ENCORE was carried out for Kureha Group's main chemical direct operation sites. We used the water risk analysis tool Aqueduct* to identify water risks by site and found that some of our direct operation sites might have high water risks, such as for seasonal variability and drought.

* World Resources Institute (WRI) tool for assessing global water risk based on latitude and longitude.

In the future, the Kureha Group will further assess the impact and risks to natural capital and biodiversity and develop targets and measures for 2030.

Social Report

The Kureha Group is addressing various activities to meet the expectations of stakeholders related to its corporate activities and to achieve sustainable growth as a company that is trusted by society.

Stakeholder Engagement →	Human Rights Efforts →
Shareholders and Investors →	Product Safety and Quality Assurance →
Purchasing and Procurement →	Synergy Between Company and Employees →
Safety and Health, Security and Prevention of Industrial Disasters, and Safety in Logistics →	Local Community →

Stakeholder Engagement

Promoting Dialogue with Stakeholders

GRI 2-29

As corporate activities globalize, stakeholders demand more social responsibility from corporations, so building and maintaining relationships of trust by taking various opportunities for dialogue is positioned as an important factor in improving corporate value.

We at Kureha Group take all the requests and concerns of our neighbors into consideration as we contribute to the development of a sustainable society, by promoting dialogue with our important stakeholders, whether they be shareholders and investors, customers and clients, business partners, employees, the general public, local communities, government agencies, or industry groups.

Stakeholder	Purpose of Engagement	Main Representative Department (Division)	Method of Communication	Frequency
Shareholders & Investors	Building mutual understanding and trust through timely and appropriate information disclosure and understanding of investors' expectations	Corporate Strategies and Accounting Division	Annual General Shareholders' Meeting Annual Securities Report Business Report	Each annually
			Briefings for securities analysts and institutional investors	Several times per year
			Events for private investors	Annual
			Daily communication with shareholders and investors	Several times per year
Customers & Clients	Improving customer satisfaction by providing high quality products and services based on customer needs	Sales Department Quality Assurance Department	Customer Support Center	Any time
			Customer events	Several times per year
			Exhibitions	Several times per year
			Daily communications	Any time
Business Partners (procurement sources, subcontractors)	Establishing business relationships based on fair partnerships with a concern for social responsibility	Procurement Department	Supplier audits	Annual
		Sales Department	CSR surveys	Annual
		Quality Assurance Department	Daily communications	Any time

Stakeholder	Purpose of Engagement	Main Representative Department (Division)	Method of Communication	Frequency
Employees	Creating a safe and stable employment environment where individuals can fulfill their potential	HR and General Affairs Department	Labor-management consultations, Health and Safety Committee Meetings	At least once a month
			Performance evaluation interviews, self-assessment system	Several times per year, biennial
			Daily communications	Any time
General Public	Sharing information regarding our compliance with laws and regulations, and contributing to the development of society	General Affairs Department	Factory tours, volunteering	Several times per year
			Educational sponsorships	Annual
Local Community	Building trust with the local community through disclosure of information and contributions to community development	General Affairs Department	CSR Local Dialogue Meeting	Annual
		Environment / Safety Department	Cultural, Academic and Sports Exchanges	Several times per year
			Factory tours	Several times per year
Government Agencies Industry Groups	Ensuring compliance with laws, agreements, and voluntary standards through information gathering and cooperation in various activities	General Affairs Department	Gathering information about and responding to laws and regulations	Any time
		HR Department Planning Department Technology Department	Participation in councils, discussions, etc.	Any time

Human Rights Efforts

GRI 2-24

As the Kureha Group engages in corporate activities in many countries and regions, we view the consideration of human rights in accordance with international standards as a material issue in our sustainability management. The Kureha Group Charter of Corporate Behavior states, "We respect the human rights of all people affected by our corporate activities." In every scenario, we conduct our corporate activities with respect for the human rights of all stakeholders.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

GRI 3-2

On April 1, 2023, based on international standards such as the Guiding Principles on Business and Human Rights approved by the United Nations in 2011 and on input from outside experts, the Kureha Group established its Group Human Rights Policy.

Under this policy, the Kureha Group will undertake assured human rights due diligence and will advance initiatives aimed at ensuring respect for the human rights of all stakeholders in our own corporate activities and business relationships.

Kureha Group Human Rights Policy

As stated in our corporate philosophy, "we treasure people and the natural environment." The Kureha Group is committed to respect for human rights in our business activities and our business relationships.

To further promote Group-wide efforts to respect human rights, we have established the Kureha Group Human Rights Policy, based on the United Nations Guiding Principles on Business and Human Rights (hereinafter referred to as the "Guiding Principles") and it has been approved by the Board of Directors of Kureha Corporation.

Based on this policy, we will advance respect for internationally recognized human rights while collaborating and cooperating with stakeholders.

Kureha Group Human Rights Policy

1. Basic philosophy

The Kureha Group understands the businesses may directly and indirectly impact on human rights. We respect the human rights* set forth in the United Nations International Bill of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

* These human rights include freedom of association and the effective recognition of the right to collective bargaining, the elimination of all forms of forced or compulsory labor, the effective abolition of child labor, the elimination of discrimination in respect of employment and occupation, and a safe and healthy working environment, as set forth in core labor standards of the ILO.

2. Scope of application

This policy applies to all officers and employees (including non-regular employees) who work for the Kureha Group.

We expect all our business partners, including partners in the value chain, to understand and support this policy and to respect human rights.

3. Our responsibility to respect human rights

By avoiding involvement in adverse human rights impacts through our own activities or business relationships and by taking appropriate measures to remediate any adverse human rights impacts that we identify we have caused or contributed to in line with the "Guiding Principles," we will fulfill our responsibility to respect human rights and will build responsible value chains.

4. Respect for human rights through our business activities

The Kureha Group will address human rights issues, including the following.

- We respect the basic rights of workers, including the freedom of association and the right to collective bargaining.
- We promote the improvement and enhancement of occupational health and safety in order to ensure safety.
- We comply with the laws and regulations of the countries and regions in which we engage in business, manage employees' working hours properly, and pay appropriate wages and benefits.
- We prohibit any form of discrimination or harassment.
- We prohibit child labor, unfair low-wage labor, or modern slavery including forced labor, human trafficking or the employment of workers under the age of 18 (young workers) for working at night, overtime, or in jobs that endanger their health or safety.
- We respect privacy and handle personal information properly in compliance with relevant laws and regulations.
- We respect the human rights, including the safety and health, of local communities.

We will seek, on a priority basis, to prevent and mitigate actual and potential adverse human rights impacts that are most severe or where delayed response would make them irremediable.

5. Education

The Kureha Group will conduct education for all officers and employees (including non-regular employees) to ensure that this policy is incorporated into all business activities and is embedded effectively.

6. Human rights due diligence

Based on the "Guiding Principles," the Kureha Group will establish a system of human rights due diligence, will identify any adverse human rights impacts that may be imposed through our business activities and our business relationships, and will construct continuous processes for the prevention and mitigation of such impacts.

7. Remediation

If the Kureha Group identifies that it has caused or contributed to adverse human rights impacts through our business activities or our business relationships, we will address the remediation of such impacts through legitimate processes.

If adverse human rights impacts in the value chain are found directly linked to our operations, or products or services by our business relationships, we will cooperate with our business partners and seek to prevent or mitigate the impacts.

We will provide an effective grievance mechanism for individuals and communities who may be subject to adverse human rights impacts in our business activities and business relationships.

8. Dialogue with stakeholders

In order to implement this policy, the Kureha Group will engage in sincere dialogue and consultation with our stakeholders including customers, business partners such as suppliers, shareholders and investors, employees, internal and external expertise, local communities, and rights holders who may be affected by our business activities.

9. Information disclosure

Through our website and other means, the Kureha Group will disclose information on the progress of our efforts toward respect for human rights under this policy.

10. Applicable law

The Kureha Group complies with applicable laws and regulations in the countries and regions in which we engage in business activities.

When the laws and regulations of countries and regions differ from international norms, we will comply with the laws and regulations of the countries and regions while pursuing ways to respect international standards for human rights.

Established on April 1, 2023



Yutaka Kobayashi

KUREHA CORPORATION

President & Chief Executive Officer

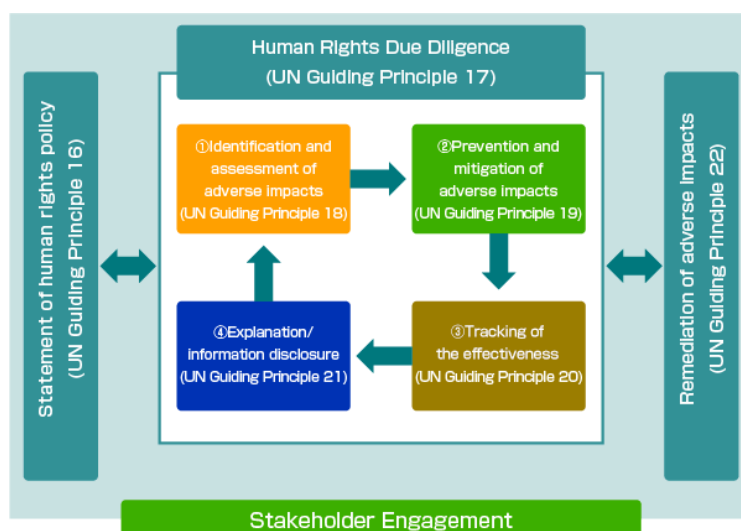
Management Structure

The Kureha Group has a Human Rights Subcommittee as a subordinate body of the Sustainability Coordination Committee in accordance with the Kureha Group Human Rights Policy. The Sustainability Coordination Committee is chaired by a director or executive officer. The Human Rights Subcommittee is composed of departments related to human rights issues identified in the Human Rights Policy, and is responsible for overseeing initiatives on respect for human rights, including human rights due diligence, as well as formulating annual plans and managing progress. Progress and results are reported to the Sustainability Coordination Committee for appropriate supervision by management.

Human Rights Due Diligence

Human rights due diligence refers to the series of actions by which a company identifies, prevents, and mitigates adverse impacts on human rights within the company, group companies, suppliers, and other parties, evaluates the effectiveness of efforts, and explains and discloses information on methods for dealing with adverse impacts.

Overall Picture of Corporate Human Rights Efforts



* Adapted by Kureha from the "Handbook for Management that Respects Human Rights," Japan Business Federation (Keidanren)

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2023 Results	FY2024 Targets	FY2025 Targets
Manifested Human Rights Issues	Kureha	Long working hours	Less than the previous fiscal year	Less than the previous fiscal year
	Group Companies in Japan	—	Start tracking	Less than the previous fiscal year
	Overseas Group Companies			

Establishment of KPIs and Determination of a Plan for Building a Monitoring System for the Kureha Group

The Human Rights Subcommittee has started its activities and has set KPIs to get an understanding of the human rights issues among those set forth in the Human Rights Policy that have become apparent. A group-wide monitoring system will be established over a three-year period. The Human Rights Subcommittee goal

for activity is to identify human rights issues in the Kureha Group and bring them close to zero. In the first year, FY2023, a tally was compiled for all Kureha sites.

Initiative(s)/Activity(ies)

Getting an Understanding of, and Addressing Kureha's Human Rights Issues

As a result of a survey on human rights issues targeting all Kureha business sites, in FY2023, there were cases of overtime work exceeding 80 hours per month, the standard for long working hours. Long working hours were caused by the concentration of work during the peak season, excessive workload, and response to problems at the factory. We reviewed work allocation, studied and implemented measures to prevent recurrence of problems at the factory, and took steps to stabilize production. We will continue to monitor and verify the effectiveness of these measures.

Participation in Initiatives

Since FY2022, we have participated in the UNDP's Business and Human Rights Academy, and we are making use of the opinions received from experts in our initiatives on respect for human rights. We also participated in the Human Rights Due Diligence (HRDD) subcommittee of the United Nations Global Compact Network Japan and the Japan Chemical Industry Association's SDGs Liaison Network human rights working group. The knowledge gained from these activities is shared with internal personnel involved in respect for human rights and used to promote our efforts.

Human Rights Education

At a meeting to share thoughts on sustainability for Kureha employees, education on internationally recognized human rights, the UN Guiding Principles on Business and Human Rights, and the Kureha Group's human rights promotion framework, etc. was provided through a video. (Number of participants: 886. Viewers: Kureha employees. Coverage: 53.1%)

Grievance Mechanisms

GRI 2-25

The Kureha Group has established a consultation desk (i.e., hotline) for use in making reports or requesting counsel when an employee has become aware of problematic behavior, has doubts, or is unsure of judgment calls involving compliance. This hotline covers human rights-related matters as well. To encourage use of the hotline, we have set up an external consultation desk staffed by attorneys and a special harassment desk staffed by female counselors. Our regulations prohibit any unfair treatment of persons who use the hotline for reporting or counseling.

In fiscal 2023, no cases of discrimination or significant adverse impacts on human rights related to the business continuity of the Kureha Group were confirmed through the hotline.

Shareholders and Investors

Kureha Group recognizes the importance of providing timely and appropriate information and promoting constructive dialogue with all of our stakeholders, primarily shareholders and investors in order to be a company needed by society and earn widespread public understanding and trust. Our Corporate Governance Guidelines set policies to promote constructive dialogue with shareholders and investors. In line with these Guidelines, we are conducting various IR activities that help us communicate to all of our stakeholders about our Company in a way that is easy to understand.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

Based on the Basic Policy on Information Disclosure, we will disclose information in a timely and appropriate manner in compliance with relevant laws and regulations and the Timely Disclosure Rules set out by stock exchanges, with a basic principle of information disclosure aimed at being a company that is trusted and supported by society. We also disclose information in a timely and appropriate manner when we judge that the information is useful to our stakeholders, unprompted by laws and regulations. We believe that disclosing information in a fair and continuous manner will lead to increased management transparency and stakeholder trust.

Basic Policy on Information Disclosure

Basic Policy on Information Disclosure

Kureha Corporation ("Kureha") will disclose information in a timely and appropriate manner with the fundamental aim of disclosing information to be a company that is trusted and supported by society.

1. Kureha will disclose information to stakeholders in a timely and appropriate manner in compliance with Japan's Financial Instruments and Exchange Act, the Timely Disclosure Rules set out by stock exchanges, and relevant laws and regulations.
2. Kureha will disclose information that is covered by Japan's Financial Instruments and Exchange Act, Timely Disclosure Rules, and other relevant laws and regulations using the method provided for in the rules, such as the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange. Kureha will also publish the disclosed information promptly on the corporate website. Kureha will disclose information that is not covered by Timely Disclosure Rules in a timely manner based on the spirit of timely disclosure through such means as providing materials, holding press conferences, organizing briefing meetings, distributing printed materials, and on the corporate website.
3. Kureha will disclose information based on this policy. The Sustainability Coordination Committee will also appropriately review the appropriateness of information disclosures that have been made.

Management Structure

GRI 2-24

At Kureha, the Corporate Communications Department is the lead department for matters related to the disclosure of corporate information, and it works with related departments, including group companies, to ensure timely and appropriate information disclosure. In addition, in accordance with the Basic Policy on Information Disclosure, we have an Information Disclosure Subcommittee, which is a subordinate organization of the Sustainability Coordination Committee. The Disclosure Subcommittee is responsible for promoting the disclosure of corporate information, including that of group companies, and verifying its appropriateness, as well as formulating an annual plan for information disclosure and managing its progress. These annual plans and results are reported to the Sustainability Coordination Committee which verifies their appropriateness.

In addition, we strictly manage undisclosed vital corporate information in accordance with the Insider Trading Management Regulations to prevent insider trading.

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2023 Results	FY2025 Targets
<ul style="list-style-type: none"> • Number of omissions of timely disclosure • Enhancement of disclosure of non-financial information 	Kureha	<ul style="list-style-type: none"> • No disclosure omissions • The new mid- to long-term management plan has explanations of the link between social issues and business, targets to reduce environmental impact, the revival of Kureha's technology driven focus, coexistence of the company and its employees, and strengthening of the management base. 	<ul style="list-style-type: none"> • No omissions of timely disclosure • Increase disclosure of non-financial information
	Group Companies in Japan		
	Overseas Group Companies		

Initiative(s)/Activity(ies)

Dialogue with Shareholders and Investors

GRI 2-29

Kureha holds its annual general shareholders' meetings in late June each year. The convocation notice is posted on our website and sent out by mail in early June, allowing shareholders the necessary time to examine the agenda. When exercising voting rights, shareholders may choose to exercise their voting rights via the Internet. At the general shareholders' meetings, we make use of video and other innovative methods, and we strive to provide frank and detailed explanations in response to questions. In addition, we began live streaming meetings in fiscal 2022 for shareholders who are unable to attend the meeting in person. Twice a year, we provide our shareholders with the Kureha Report, which summarizes our financial results and other topics to promote a better understanding of our Company. We have also established an Inquiries about IR contact form and enhanced the content on our website to assist shareholders and investors in obtaining information and understanding our Company.

For institutional investors and securities analysts, we regularly hold briefings on growth scenarios based on our mid- to long-term management plan, financial results, and future prospects, and answer their questions.

In order to deepen their understanding of our Company, we also engage in proactive dialogue through individual interviews and small meetings in Japan, as well as visits to directly meet with overseas institutional investors. We have set financial and non-financial KPIs in our mid- to long-term management plan based on the opinions of our shareholders and investors, aiming to achieve sustainability management that combines improvement of corporate value and contribution to a sustainable society.

Approach to Shareholder Returns

The Kureha Group's mid- to long-term management plan has set a basic policy to maintain stable dividends with a target payout ratio of 30% or more, setting the minimum amount for the annual dividend per share at 86.7 yen by FY2025, while enhancing internal reserves to enable active investment in future business expansion. In addition, we aim to achieve a total payout ratio of 50% or more through share repurchases, acquiring a cumulative total of approximately 40 billion yen in treasury stock during the three-year period ending fiscal 2025 to meet the expectations of our shareholders.

Product Safety and Quality Assurance

GRI 416-1, SASB RT-CH-410b.2

The Kureha Group continually reviews and improves its quality management system, while enhancing education about quality for its employees and collaborative activities with partner companies, aiming to realize and maintain a high level of quality (Kureha quality) that customers feel the value of. In addition, we have established mechanisms and an in-house examination system to ensure that safe and reliable products are delivered to our domestic and overseas customers.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

To provide goods and services that further satisfy our customers, we have established a quality policy, operate according to the international standard ISO 9001 quality management system, and engage in daily management and improvement efforts. We are also strengthening our quality assurance system and promoting and enhancing education about quality.

Kureha's Quality Policy

Kureha's Quality Policy

1. We will strive to improve the quality of our products and services in order to further satisfy the customer.
2. We will work to provide customers with safe products that they can feel good about using.
3. We will focus on safety and disaster prevention while endeavoring to achieve stable product supply.

April 1, 2021
President & Chief Executive Officer
KUREHA CORPORATION

As for household products, we created our Customer Support Policy in accordance with the Quality management—Customer Satisfaction—Guidelines for complaints handling in organizations (ISO 10002/JIS Q 10002). We rely on this policy not only for consistent customer service, but also continual improvement of customer service and customer satisfaction. We have also introduced an information management system called the Customer Feedback Flow System in order to promptly and appropriately respond to customer feedback and complaints about products and reflect them in new product development. Here at Kureha, each one of us takes our customer feedback seriously, setting and steadily achieving goals which help us provide products that bring maximum customer satisfaction.

Behavioral Guidelines for Customer Satisfaction

Behavioral Guidelines for Customer Satisfaction

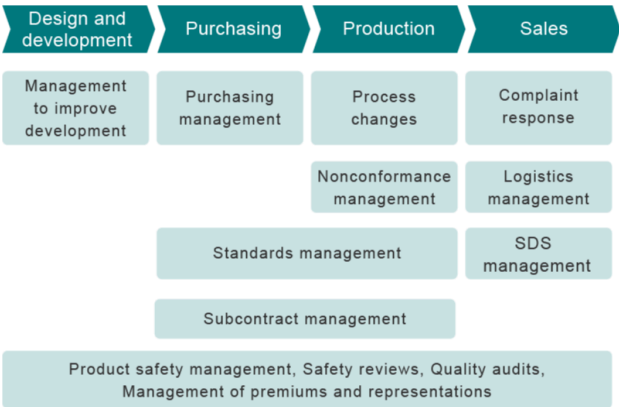
Behavioral Guidelines for Customer Satisfaction

1. We work to provide our customers with safe products they can use with peace of mind
2. We work to improve the quality of our products and services for maximal customer satisfaction, by sharing their valuable feedback.
3. We take the feedback from our customers seriously, and respond promptly, in good faith, with fair and impartial treatment.
4. We will continue to improve the quality of our products and services by achieving the quality goals we set.
5. We will strictly adhere to relevant legislation and company standards.
6. We will resolutely oppose unreasonable demands.

Management Structure

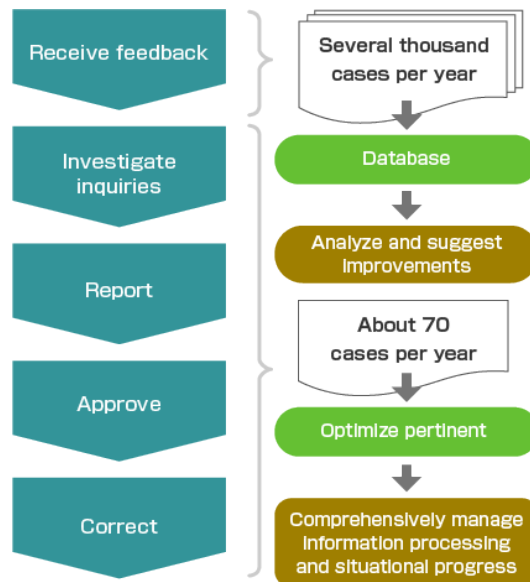
Kureha acquired ISO 9001* certification in fiscal 1995, and have continued to operate and maintain a quality management system. We have developed internal rules in accordance with ISO 9001 for every stage from product design and development to sales, and we work hard operating and making improvements to the appropriate system so that customers can be provided with safe products and feel good about using them.

* Please contact us for more information about the scope of our ISO certification.



Complaints, requests, and inquiries from customers who use our household products are handled by the Customer Service Office, which manages information using the Customer Feedback Workflow and shares it with relevant departments such as the development, manufacturing, and quality assurance departments to promptly respond to complaints that have included a request for investigation.

The Customer Service Office manages complaints, comments, requests, and inquiries from customers who use our household products. We share the real voices of our customers with relevant departments, such as the development, manufacturing, and quality assurance departments, and to promptly respond to complaint cases with requests for investigation.



Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2023 Results	FY2025 Targets
Number of PL complaints	Kureha	0	0
	Group Companies in Japan	0	0
	Overseas Group Companies	0	0
Number of serious product accidents (Consumer products)	Kureha	0	0
	Group Companies in Japan	0	0
	Overseas Group Companies	0	0
Number of product accidents (NITE reports)	Kureha	0	0
	Group Companies in Japan	0	0
	Overseas Group Companies	0	0
Number of quality assurance compliance violations	Kureha	0	0

Initiative(s)/Activity(ies)

Initiatives to Strengthen Quality Control Including Group Companies

Our customers' and society's interest in quality control is on the rise, and the accuracy of quality inspections is becoming even more important. Our quality assurance staff has been visiting the quality assurance departments of our Group manufacturers to conduct audits and surveys since fiscal 2019 with the aim of improving the level of quality control throughout Group companies. These activities not only provide a good

opportunity to be inspected from an external perspective, but also provide an opportunity to uncover issues common to all Group companies through the exchange of opinions and to identify the direction of activities for improvement.

Improvement Activities Focused on Countermeasures Against Foreign Material Contamination of Products

The prevention of foreign material contamination is a quality control issue of the highest importance that is fundamental to our customers' trust, because our products include food packaging materials such as NEW Krewrap. From the purchase of raw materials to when products are placed on store shelves, each and every employee must act with a heightened awareness of never allowing foreign material to be mixed in, and a strong sense of responsibility and awareness for working in the food packaging materials industry. We strive to raise awareness of quality control and improve facilities through a variety of initiatives.

Safety Examinations

GRI 416-1, GRI 417-1, GRI 417-3

We follow established internal rules regarding safety examinations to ensure compliance and safety. Since we offer a wide range of products from household items to industrial products, we check for a variety of factors such as field of use, target customers, and methods of manufacturing, quality control, transportation, and use. Raw materials used in products, changes in manufacturing processes, changes in export destinations, and samples provided are also subject to examinations. We also put ourselves in the customer's shoes while examining SDS, labels, product catalogs, and other provided information in order to provide safe, reliable products both inside and outside of Kureha.

For example, the status of examination concerning the content of documents such as product packaging, catalogs, and advertising materials is as follows.

→ [ESG Data Collection \(Status of safety document examination\)](#) 

Purchasing and Procurement

The Kureha Group strive to fulfill our social responsibilities throughout the entire supply chain in accordance with our Procurement Policy and CSR Procurement Guidelines. We also ask our suppliers to give consideration to the environment and society, and aim to build fair and equitable relationships with them.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

The Kureha Group established the Kureha Group Procurement Policy on April 1, 2024 to practice the Kureha Group Corporate Philosophy through procurement activities and promote continual improvement of economic value and contribute to solving social issues.

Kureha Group Procurement Policy

Kureha Group Procurement Policy

The Kureha Group is committed to contributing to the development of a sustainable society by providing products and services that help solve social issues and, at the same time, fulfilling our social responsibility throughout the supply chain. In our procurement activities, we aim to conduct responsible procurement in accordance with the following policies based on this basic concept.

1. Compliance with Laws and Regulations

In its procurement activities, the Kureha Group complies with the relevant laws, regulations, social norms, and spirit of the relevant laws and regulations of each country and region in which it operates.

2. Fair Procurement Activities

The Kureha Group conducts fair and open procurement activities both domestically and internationally. We prohibit restrictions on free competition and bribery, and ensure transparency of procurement activities through appropriate procedures.

We select our suppliers fairly, based on a rational economic analysis of quality, price, supply capability, technical capability, and other capabilities and reliability, as well as initiatives to improve the global environment and social sustainability.

3. Cooperation with suppliers

The Kureha Group collaborates with suppliers to continually maintain and improve quality, preserve the global environment, and respect human rights.

Establishment of Kureha Group Supply Chain CSR Guidelines

GRI 2-23

The Kureha Group established the Kureha Group Supply Chain CSR Guidelines on April 1, 2024 as a standard for CSR initiatives that both suppliers and the Kureha Group must comply with.

→ [Kureha Group Supply Chain CSR Guidelines](#) 

Participation in the "Declaration of Partnership Building" Initiative

Kureha endorses the aims of the "Conference on Promoting Partnership Building for the Future" promoted by the Cabinet Office and the Small and Medium Enterprise Agency, and announced a "Declaration of Partnership Building" in 2024. Kureha aims to build new partnerships by promoting cooperation, coexistence, and co-prosperity with our business partners.



→ ["Declaration of Partnership Building" portal site \(Japanese Only\)](#) 

→ [Kureha Corporation's "Declaration of Partnership Building" \(Japanese Only\)](#) 

Management Structure

The Kureha Group promotes "responsible procurement" through the Human Rights Subcommittee, a subordinate body of the Sustainability Coordination Committee. The Sustainability Coordination Committee is chaired by a director or executive officer. The Human Rights Subcommittee is composed of departments related to human rights issues identified in our human rights policy and oversees efforts to respect human rights, including human rights due diligence in the supply chain, and formulates annual plans and manages progress. Progress and results are reported to the Sustainability Coordination Committee for appropriate supervision by management.

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2023 Results	FY2024 Target	FY2025 Target
Human Rights Issues in the Supply Chain	Kureha	<ul style="list-style-type: none"> Developed standards Developed a survey methodology 	Start survey	Less than the previous fiscal year
	Group Companies in Japan	—	—	Start survey
	Overseas Group Companies			

Initiative(s)/Activity(ies)

GRI 308-2

Green Procurement

Kureha procures raw materials based on the Green Procurement Guidelines to promote the use of products and raw materials that are safer and have less environmental impact. The Guidelines are updated as necessary to comply with environmental laws and regulations. When selecting new suppliers, we evaluate them based on our internal criteria and make decisions based on our overall judgment while adhering to the intent of the Green Procurement Guidelines. When necessary, we conclude a Basic Sales Transaction Agreement with the supplier.

→ [Green Procurement Guidelines \(Japanese Only\)](#) 

Supply Chain CSR Survey

GRI 2-29, GRI 409-1, GRI 414-2

Kureha has been periodically surveying its suppliers since FY2017 to ascertain their status of CSR promotion. Target suppliers were selected by field based on transaction size and number of years of transactions, and a check sheet prepared by our company was sent to them, collected, and evaluated. From FY2024, the purpose of the surveys will be changed to that of confirming compliance with the "Kureha Group Supply Chain CSR Guidelines," and a newly created questionnaire will be used to conduct the survey. In addition to suppliers, we will also survey contract manufacturers. This activity will be gradually expanded to suppliers of the entire Kureha Group.

On-site Audits of Business Partners

Kureha conducts on-site audits of suppliers in Japan and overseas to ensure that purchasing operations are carried out in accordance with the Kureha Group Procurement Policy.

Due Diligence on Responsible Mineral Sourcing and Prevention of Forced Labor

As part of our commitment to responsible mineral procurement, Kureha Group conducts investigations that trace the supply chain of target minerals (gold, tin, tungsten, tantalum, cobalt, and mica) back to the source at the request of our customers. As a result of the investigations to date, no minerals suspected of being related to conflict or human rights abuses have been found to be used in our products. In addition, in response to the U.S. Uyghur Forced Labor Prevention Act , Kureha confirms that none of its products or materials are manufactured in or procured from the Xinjiang Uyghur Autonomous Region.

Synergy Between Company and Employees

Management of Synergy Between Company and Employees →	Human Capital Development →
Work-Life Balance →	Mental and Physical Health Management →

Management of Synergy Between Company and Employees

The Kureha Group aims to grow sustainably while contributing to society at large, and we believe that each of our employees is at the core of achieving this goal. We aim to build responsible, mutually beneficial relationships with our employees, from the day they join us until the day they retire, valuing their health and job satisfaction while they play an active role in achieving our business goals. We will also continue to improve employee engagement by creating a work environment that is receptive to diverse values and allows them to be put to use.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

Policy for Ensuring and Developing Diverse Human Capital

Policy for Ensuring and Developing Diverse Human Capital

Kureha recruits and appoints diverse human resources with different ideas and experiences based on a person's abilities and achievements, regardless of age, gender, nationality, and other factors, in accordance with our management strategy and business needs.

Management Structure

In accordance with the Company's corporate governance structure, the Board of Directors makes decisions on important matters, such as human resources development policies and personnel systems. In addition, the Board of Directors regularly receives reports from the Human Resources Department, an executive division, on the status of efforts to achieve synergy between the Company and its employees, and monitors and supervises these efforts.

In our efforts to promote synergism between company and employees, the human resources departments at the head office and business sites work together to study and promote various measures. In addition, the human resource departments of the entire Kureha Group share and exchange information and opinions not only on human resource policies but also on initiatives for human resource development and health promotion, and the entire Kureha Group promotes initiatives for human resource development, enhancement of work-life balance, health promotion, and improvement of the workplace environment.

Target(s) and What We Have Done/Are Doing

Kureha has introduced an engagement survey in FY2023 with the aim of improving employee engagement. For details and future initiatives, please refer to the following initiative case study, "Survey of Integrated Stress Checks and Engagement."

Initiative(s)/Activity(ies)

Survey of Integrated Stress Checks and Engagement

Under "synergism between company and employees," one of the most important measures in the management policy, the Kureha Group recognizes that employee growth and engagement are essential for the company's sustainable growth. In order to further improve the level of employee engagement, we have introduced the "Survey of Integrated Stress Checks and Engagement" from FY2023. We believe that the company's growth will be enhanced if employees feel attachment to, pride in, and have high expectations of the company, are highly motivated to work, and continue to grow. The psychological connection (engagement) of employees to the company is broadened by a variety of values, ranging from "I am proud of the company," "I like my colleagues," and "I enjoy my daily work," to "I share the company's vision and policies" and "I have opportunities to grow through my work," each of which is a driving force for employees to work with high motivation. We believe that each of these values is a driving force for employees to work with high motivation. In order to support each employee with diverse values to work with high motivation and grow, we will work on clarifying and spreading the Group's corporate philosophy, vision, management policies, and departmental policies; creating a comfortable and rewarding work environment; promoting human resource development and growth support; and promoting dialogue with diverse human resources and respecting their values.

After the survey is conducted, management, the human resources department, and each workplace will analyze the results to understand the actual situation, and consider policies and implement countermeasures. We will continue to implement the survey and establish internal management indicators to improve mental health status and engagement.

Town Hall Meetings

Kureha has decided to hold "Kureha Town Hall Meetings" in FY2023 and beyond, where the President and Directors can directly interact with employees. Through the Town Hall Meetings, we aim to improve engagement and realize "symbiosis between the company and employees" by fostering a sense of unity and understanding of the company's policies and management's thoughts.

Labor-Management Relations

GRI 2-29, GRI 2-30, GRI 202-1, GRI 402-1

All regular employees are members of the Kureha Labor Union except for those who have been specially determined in consultation with us. Note that the results of the negotiations between labor and management will apply to all regular employees, including those who have been exempted from the Labor Union.

Kureha and the Kureha Labor Union hold a monthly management council as a space to respect the constructive opinions of both labor and management. With a common understanding of Kureha's management situation and various other issues, we discuss various measures to improve the work-life balance of our employees and other improvements in working conditions, introducing programs for flexible workstyles and enhancing benefit programs. Moreover, we usually try to provide at least one month's notice of any changes in business. We also hold regular labor-management co-sponsored events and branch council meetings at each business location to promote communication between the Company and staff. We will continue to maintain close and amicable communications between labor and management in order to grow the Company and improve the economic status and welfare of all of our employees.

Furthermore, in its remuneration system, the Company adheres to paying salaries above the legal minimum wage and applies a uniform payment level across genders in the same job category and grade.

Human Capital Development

At Kureha, we aim to cultivate future executives, global human capital, digital human capital, and young employees who all become human capital with diverse strengths whose performance we can count on and who have the self-motivation and career awareness to continually improve themselves.

To expand support for the autonomous and continual growth of each employee so they can continue to flourish and take on tougher challenges, we are actively promoting various measures, including education in the workplace, various systematic training programs, and support for autonomous career development. We also have a Human Resource Development Committee for Technology and Innovation to ensure our continued growth as a technology-driven manufacturer by promoting the training of technical human capital. In addition, we are promoting an initiative to develop female executives through a program where candidates are selected based on their potential to fulfill future management positions, and the candidates are provided with knowledge and skills, and helped to foster a mindset for management and administration.

↓ Policy/Policies ↓ Target(s) and What We Have Done/Are Doing
↓ Initiative(s)/Activity(ies)

Policy/Policies

Kureha's Personnel System

Kureha seeks to create a corporate culture in which each employee can play an independent and autonomous role, responding deftly to changes in the business environment, with a sense of ambition, speed, and growth. Our personnel system is based on the following two principles:

- (1) Enhancement of performance-orientation—Enhancement of rewards based on role and duty standards
- (2) Active participation of senior workers—Extension of retirement age to 65 years old

Through this system, we aim to transform Kureha into a company where employees can take pride in their work as professionals, experience job satisfaction and self-development, and feel that they want and need to continue practicing ambition, speed, and growth.

Human Capital Development System

GRI 404-2

Human Capital Development System

	Regular employees	Executive employees
Rank-based training	Section manager training	Training for promoted executives
	Advanced planning and development training	Training for new line managers
	Intermediate planning and development training	Evaluation skill training
	Planning and development training for new transfers	
	Follow-up training by category and position	
	Mandated training	
	Induction training for new hires	
Purpose-specific training	Social training for next-generation leaders	Supervisor training (coaching)
	Leader Training	
	Mentoring*	
	In-house thesis review	
	New product and business development training	Technical management training
	Practical Skills Training (PST)	
	TOEIC / TECC	
	Online English conversation course	
	English e-mail composition course	
	Practical English training program	
Digital human capital development	Multilingual Conversation Training	
	Study abroad	
	Senior Data Analyst course	
Open enrollment training	Digital human capital basic training	
	e-learning	
	Distance learning	
	Management path	
Autonomous career development support	Seminars by instructors from inside and outside Kureha	
	Senior seminar	
	Career interviews	
	Training to create and foster career awareness	
	Development plan	

* Mentoring: One senior employee is assigned to each new employee. In addition to providing work guidance, the mentor serves as a friendly advisor and teacher to the new employee.

Rank-Based Training

Kureha provides training for each level of employee, according to the role and duties they are expected to perform. In the introductory training for new employees, we provide a program to prepare them for early growth and success at Kureha that teaches them about their jobs and provides them with basic knowledge about Kureha while earning trust, so they can envision their future activities at Kureha.

Purpose-Specific Training

We offer training programs for development of global human resources, digital human resources, technical human resources, and others. The dissertation review system, which has been in place since fiscal 1959,

helps young employees develop their logical thinking, writing, and presentation skills, and provides opportunities for self-development and self-realization through presentations of results and proposals. Various proposals have even led to new businesses, the development of applications, etc.

Open Enrollment Training

We support employees' self-growth through autonomous and continual learning. There are four programs: e-learning, correspondence courses, management courses to support self-learning by general employees aiming for future management positions and relearning by executives, and internal and external seminars by theme. Employees select which of these four programs they want to participate in. We promote the use of training programs that employees apply for, and they work with the company to achieve.

Support for Autonomous Career Development

To support employees' awareness of having a career and growing professionally, we have a system for supporting autonomous career development and established a medium- to long-term career development support system. At career interviews, employees communicate their own career plans to executive officers, department heads, and the human resources department, and receive advice and support for their future growth, thereby encouraging early development and success for the subject employees. In addition, career training and other programs are provided for young and mid-career employees to support their career development.



Mid-Career Seminar

We host Mid-Career Seminars to further develop and enhance the extensive knowledge, experience, and skills of employees in their early 50's. Participants reconfirm the knowledge and skills gained from their own values and experiences, and design an ideal image they aspire to fulfill in the future. Post-training supervisor interviews are held to go over specific actions to achieve their goals.

Promoting Action Plans Based on the Act on the Promotion of Women's Active Engagement in Professional Life

GRI 404-2

Kureha has established the following action plan to promote a healthy work-life balance, and to create a comfortable and rewarding work environment so that each employee can make the most of their individual talents and fully realize their potential.

- [Database of companies promoting women's advancement \(Ministry of Health, Labour and Welfare's comprehensive website for supporting women's advancement and work-life balance\) \(Japanese Only\)](#) 
- [General Employer Action Plan \(Japanese Only\)](#) 

Action plan period: April 1, 2024 - March 31, 2028 (5 years)

- Objective 1: Maintain the percentage of female executives at or above the level of the previous year during the period.
- Objective 2: The percentage of female new graduates hired for career-track positions will be 30% or more by FY2025, and will be maintained thereafter.
- Objective 3: The percentage of male employees taking childcare-related leaves of absence/vacations will be 80% or more.
- Objective 4: Have executives use at least 75% of the number of days of annual paid leave they are granted.

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result
Percentage of women in management positions*	Kureha	5.4	5.6	6.8	7.6

* Management positions = executive officers, directors, advisors, vice presidents

Initiative(s)/Activity(ies)

Encouraging Senior Human Capital

GRI 404-2

In October 2021, Kureha began gradually raising the retirement age to 65 to further encourage senior human capital to make the most of their careers.

As of the end of March 2023, 157 senior human capital aged 60 or older are working at Kureha.

→ [ESG Data Collection \(Number of employees by age group\)](#) 

Employment of People with Disabilities

In 2014, we established a special subsidiary, Sunshine Kureha, to help people with disabilities participate in society independently.

- Special subsidiary - A company established to promote employment stability of people with disabilities; according to the "Act on Employment Promotion etc. of Persons with Disabilities," when certain requirements are met, the disabled employee of the subsidiary will be counted in the employment rate of the parent company.

→ [Local Community](#) [Sunshine Kureha](#)

→ [ESG Data Collection \(Employment of people with disabilities\)](#) 

Kureha is planning and implementing various measures to allow our employees to work flexibly and productively, with a sense of satisfaction and fulfillment, at each stage of life and according to their individual lifestyles. We want to build a corporate culture that respects every employee and fosters their ambition and growth. Therefore, we have introduced a flextime system, telecommuting system, a per half-day or per hour annual paid leave system, and various systems to support child-rearing and care-giving so that each employee can work to their full potential while maintaining harmony between work and family life.

- ↓ Overview of Main Systems ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Overview of Main Systems

Overview of Main Systems

The ★ in the table below indicates Kureha's in-house system or a system that exceeds legal requirements

Flexible working style	Pregnancy & childbirth
Half-day annual paid leave	Limits and exemptions for overtime work, holiday work, and late-night work ³
Hourly annual paid leave	★ Adjustment of working hours, duties, and reducing work burden (paid)
★ Accumulated annual paid leave ¹	★ Hospital visits during work hours (paid)
Flextime system	★ Prenatal and postnatal leave (six weeks before and after childbirth, paid)
Telecommuting system	★ Congratulatory/Condolence leave (for spouses at the time of birth) (up to three days, paid)
★ Refresh system ²	
★ Self-development support	
★ Leave system when a spouse is transferred overseas	
Childcare	Nursing
Limits and exemptions for overtime work, holiday work, and late night work ³	Limits and exemptions for overtime work, holiday work, and late night work ³
Childcare leave (until the second birthday)	★ Nursing leave (three times up to two years cumulative)
Maternity leave	★ Shortened working hours for care-giving (up to three years cumulative)
Childcare time	★ Nursing leave (10 days for one person, 20 days for two or more people annually) ⁵
★ Shortened working hours for childcare ⁴	
★ Childcare leave (for spouses, up to five days within six weeks after birth)	
Nursing leave (five days for one child, ten days for two or more children per year) ⁵	

¹ Expired annual paid leave can be accumulated in units of a day and used in half-day units for care-giving, social contribution activities, self-development, childcare, infertility treatment, etc.

² We award our employees 100,000 yen at their 40th birthday and 200,000 yen at their 50th to give them the opportunity to refresh their mind and body, reconsider their life goals, and boost motivation.

³ In the case of childcare, applicable for those with pre-elementary school aged children.

⁴ Can be obtained until the end of the graduation year for elementary school students.

⁵ Can be obtained in half-day units or hourly units.

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result	FY2025 Target
Percentage of paid holidays taken	Kureha	81.8	72.5	75.7	86.3	88.1	Continue at 80% or more

General Employer Action Plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children

Kureha has formulated the following action plan to improve work-life balance and promote the creation of a comfortable work environment.

→ [General Employer Action Plan Bulletin Website \(Ministry of Health, Labour and Welfare's comprehensive website for supporting women's advancement and work-life balance\) \(Japanese Only\)](#) [↗](#)

Action plan period: April 1, 2024 - March 31, 2026 (2 years)

- Objective 1: Have at least 75% of male employees taking childcare-related leave/ temporary leave.
- Objective 2: Have executives takes at least 75% of the number of days of annual paid leave they are granted to.

Initiative(s)/Activity(ies)

Workstyle Reform

As part of our workstyle reform efforts, based on the concept of growth, vitality, and ambition, we are supporting the autonomous growth of each employee, making organizational goals more personalized to improve job satisfaction, and promoting physical fitness. We are also striving to increase the utilization of annual paid leave and reduce overtime for a more comfortable work environment. In addition, we have introduced various systems to bring about flexible and productive work styles that accommodate new lifestyles, such as the permanent introduction of a telecommuting system and shortening the core hours of the flextime system.

Childcare and Caregiving

Kureha is committed to creating an environment in which employees can work to their full potential, and has established systems that are accessible to both men and women according to their parental and nursing care needs, such as paid leave days for childcare, nursing, and caregiving, and shorter working hours. In addition, to deepen employees' understanding of these systems and promote their use, we have prepared a guidebook to explain work and family life balance support systems, which is posted on the intranet where employees can access it at any time.

Support for Balancing Work and Caregiving

Kureha has established a system that exceeds the caregiving requirements, including a nursing care leave period of (up to a total of two years and three times). Since fiscal 2018, Kureha has been conducting a seminar to support employees aged 40 and older who are balancing work and caregiving. This seminar aims to broaden employees' options as they face the challenge of adult nursing by providing them with preliminary knowledge. Care managers from outside Kureha give simple and accessible lectures and engage in dialogue with participants to deepen their understanding of adult nursing care.

Mental and Physical Health Management

GRI 401-2, GRI 403-3, GRI 403-6

Based on the belief that our employees' health is the foundation of our growth, Kureha Group has a Basic Policy on Health and a Health and Productivity Management Strategy Map that aim to cultivate independent employees who are healthy, and who grow and work to their full potential on their own. We are striving to get each employee to manage their own health and to improve employee motivation and vitality. We are working to reduce risks that threaten our employees' health through reassessment of diet, exercise, and other fundamental, daily lifestyle habits, and prevention and early detection of stress-related illnesses such as mental health problems. In this way, Kureha aims to maintain and improve employees' mental and physical health.

→ [Kureha's Health and Productivity Management Strategy Map](#) 

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

Basic Policy on Health

Basic Policy on Health

Based on the belief that good employee health is essential for corporate growth, Kureha works with the Health Insurance Society to support employees' efforts to maintain and improve their own health.

Management Structure

GRI 403-3, SASB RT-CH-320a.2

Through Healthcare Promotion Meetings, Kureha supervises every aspect of health and productivity management throughout the Company. These meetings are supervised by the President as the Chief Executive Officer and the Director and General Manager of the Administration Division as the Chief Health and Productivity Management Officer, and members consist of persons in charge of human resources and safety and health at each of the Company's business sites, and the Health Insurance Society. Also, in FY2023 the Group started a health improvement committee composed of the people in charge of personnel and general affairs at each of the Group's companies. The committee is working to maintain and improve health throughout the Group.

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2019 Result	FY2020 Result	FY2021 Result	FY2022 Result	FY2023 Result	FY2025 Target
Percentage of employees maintaining and appropriate body weight* (%)	Kureha	64.6	61.4	62.5	61.7	Being calculated	65.0

* BMI between 18.5 and 25

Initiative(s)/Activity(ies)

Prevention of Lifestyle-Related Diseases and Enhancement of Health Management

SASB RT-CH-320a.2

To prevent lifestyle-related diseases, Kureha encourages 100% of employees to undergo health checkups and secondary checkups, has industrial physicians and public health nurses provide health guidance to employees who need to take measures against lifestyle-related diseases. In addition, Kureha regularly organizes walking events sponsored by the Health Insurance Society and stretching lessons given by outside instructors to promote opportunities for exercise. Cancer screenings are offered to women during working hours, leading to early detection and early treatment of breast and uterine cancer. We are also working to create an environment where employees can view the history of their own health checkup results on their PCs.

Promoting Mental Health Care


GRI 403-3, SASB RT-CH-320a.2

To maintain and promote the mental health of our employees, we strive to prevent mental health problems and improve the work environment by holding regular training and e-learning sessions, as well as explanatory meetings on how to read the results of collective analyses of stress checks. In addition, we have a consultation service staffed by counselors from professional organizations outside Kureha and provide interview guidance by industrial physicians. For those on leave, we have a support system in place to help smooth employees' return to work.

Promoting Anti-tobacco Policies

SASB RT-CH-320a.2

In consideration of the negative health effects of second-hand smoke, Kureha is making efforts to reduce the number of smoking areas in our business sites, hold anti-tobacco seminars, and create an environment where smokers feel motivated to quit by recommending the Health Insurance Society's No Smoking Challenge (financial aid for employees who try to quit smoking). From FY2025, smoking will be banned during working hours.

- External Recognition Recognized as a Health & Productivity Management Outstanding Organization by the Nippon Kenko Kaigi
- ESG Data Collection (Mental and physical health) 

Safety and Health, Security and Prevention of Industrial Disasters, and Safety in Logistics

GRI 403-7

Safety is the most important foundation of the manufacturing industry. In the Kureha Group, the Health and Safety Committee, supervisory departments, and all workplaces are developing various safety activities in their respective roles, with the aim of achieving zero accidents resulting in injury or death. We are also committed to educating the people who support these activities.

As chemical-related companies, we handle hazardous substances, high-pressure gases, and toxic substances on a daily basis, so we consider security and prevention of industrial disasters to be the most important responsibilities of the Group, and we thoroughly manage our facilities and operations. We aim to maintain safety, security, and the trust of our local communities, therefore we not only comply with laws and regulations, but we also establish our own control standard values and practice preventive maintenance of equipment.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

Kureha Group is committed to both occupational health and safety, and prevention of industrial disasters under its Responsible Care Policy.

- Earth-friendly, safe operations

We shall take special care to preserve the global environment in our business activities, protect the safety and health of employees and the public in our operations, and make efforts to prevent accidents, disasters, and pollution.

Management Structure

Occupational Safety and Health Management System

GRI 403-1, GRI 403-8

Kureha and its Group companies have quality, environmental, and occupational safety management systems and a systematic approach to ensure that no detriment is caused to customers, local communities, or employees by its business activities. For occupational safety and health, we are actively promoting the introduction of ISO 45001, prioritizing the safety and health of all of our workers, and conducting health and safety activities with the aim of achieving zero occupational accidents. All employees are constantly aware of strictly avoiding accidents and going home safely, and they thoroughly follow established rules, never take shortcuts and never break promises. To ensure continued safety, facilities and equipment are updated appropriately.

Safety and Health Committee and Health Committee

GRI 403-4

In accordance with the Occupational Safety and Health Act, Kureha has a Health Committee at our head office and a Safety and Health Committee at each business site, where labor and management work together to promote initiatives that meet the needs of each business site. Each committee reviews health management, improvement of the work environment, and prevention of accidents. The minutes are posted on our internal online information system, making them available to employees.

Promoting Safety Activities Throughout the Group

GRI 403-2

We have a Kureha Group Responsible Care Council, and as part of its activities, it promotes safety activities throughout the Group. In meetings, which are held twice a year, Group companies share examples of safety activities and analysis of trends in accidents. In addition, information on accidents is promptly shared within the Group with the aim of preventing similar accidents.

Target(s) and What We Have Done/Are Doing

GRI 403-9, SASB RT-CH-540a.1

KPI	Company/companies		CY2019 Results	CY2020 Results	CY2021 Results	CY2022 Results	CY2023 Results	CY2025 Targets
Occupational accident frequency rate (Number of lost time injuries and deaths per million total working hours)	Kureha	The Iwaki Factory	1.73	0.55	2.30	1.54	0.53	0
		The plastics processing factory	0	1.72	0	1.91	2.92	0
Occupational accident severity rate (Number of days of work lost per 1,000 total hours worked)	Kureha	The Iwaki Factory	0.03	0.002	0.01	0.00	0.00	0
		The plastics processing factory	0.00	0.01	0.00	0.00	0.00	0

KPI	Company/companies	FY2023 Results	FY2025 Targets
Number of serious equipment accidents (Accidents as defined by the Fire and Disaster Management Agency under the Prevention of Industrial Disasters in the Petroleum Industry Act)	Kureha	2	0

KPI for group companies are currently under review.

Initiative(s)/Activity(ies)

Occupational Safety and Health Awareness Programs

GRI 403-4, GRI 403-5

Every year during National Safety Week in July, each Kureha Group site carries out activities in line with the idea of Safety Week. At the Iwaki Factory, the implementation of safety measures and awareness among employees are improved through initiatives from the convention on safety and patrols by site executives. Also, during National Occupational Health Week, which takes place in October every year, activities are organized in line with the idea of Health Week, as well as hygiene management and health-related activities and lectures.

Chemical Substance Risk Assessment in the Workplace

GRI 403-2, 403-10, SASB RT-CH-320a.2

Kureha Group proactively conducts chemical substance risk assessments to protect the health of employees. Risk reduction measures are taken under the leadership of the chemical manager and the person in charge of personal protective equipment management for operations identified as high risk.

Skills Training Center

GRI 403-5

We opened the Skills Training Center in November 2005 at the Iwaki Factory, so employees can learn to work with a heightened sense of danger by experiencing simulations of dangers that may occur during work. In FY2023, education for subcontractor employees was continued from the previous year, with 380 employees having taken the course by the end of October. In addition, education for supervisors was repeated starting in February 2024. Also, a VR disaster experience system was introduced to increase sensitivity to danger and was added to the experience menu.

Responding to Revisions to the Industrial Safety and Health Act

The Occupational Health and Safety Regulations and other regulations to prevent occupational accidents caused by chemical substances have been partially amended. At least one chemical substance manager must be appointed at plants that manufacture and handle chemical substances for which risk assessment is mandatory. Kureha appoints chemical substance managers for each workplace in a plant where chemicals are handled, providing detailed support.

Disaster Prevention Training at the Iwaki Factory

Every year, the Iwaki Factory conducts a comprehensive disaster drill for the entire site to prepare for large-scale disasters and accidents. Individual training is also conducted on an ongoing basis to improve communications and other initial activities in the event of a disaster, as well as disaster suppression capability according to the equipment and substances handled. In addition, to prepare for natural disasters, which have become increasingly severe in recent years, the company is reviewing how it sets operating standards for heavy rain and strong winds, checks the integrity of its facilities, deals with flying debris, and ensures employee safety.

Disaster Prevention Training at the Hyogo and Ibaraki Sites of the Plastics Processing Factory

Comprehensive disaster drills were held at two sites of the Plastics Processing Factory: the Ibaraki site and the Kaibara site, with the General Manager of the Production and Technology Division in attendance. At both sites, the drills were conducted assuming there was a limited number of personnel to minimize damage safely and quickly. It was an opportunity to reaffirm the necessity to develop response skills and

reduce disasters while protecting the safety of employees through drills in a variety of situations, and to raise disaster awareness and improve response capabilities.

Disaster Prevention and Safety in Logistics

GRI 403-5

Kureha collaborates with Group companies involved in logistics to carry out training and education for disaster prevention and safety during freight transportation, and we are working to make sure procedure manuals and communication systems are examined and followed.

At the monthly safety meetings for crew members of Kureha Unyu Co., Ltd., which transports chemicals, employees are alerted about any logistics accidents that have occurred and notified of changes in the equipment of our business partners. We also carry out hands-on training using actual vehicles and chemicals to raise safety awareness of crew members and eliminate accidents.

Eliminating Logistics Accidents

GRI 403-5, SASB RT-CH-540a.2

Kureha is working to eradicate all logistics accidents that occur during transportation of our products. With continuous safety training of Kureha Unyu crew members, strengthening undercarriage inspections, and various other measures, we are working to prevent leaks and other such things that could lead to serious accidents, and also working to reduce delivery errors and all other logistics accidents. The total number of logistics accidents for fiscal 2023 was 68.

Declaration of Voluntary Action to Support the White Logistics Movement

Kureha endorses the White Logistics Movement advocated by the Ministry of Land, Infrastructure, Transport and Tourism, the Ministry of Economy, Trade and Industry, and the Ministry of Agriculture, Forestry and Fisheries, and on September 18, 2019 has submitted a Declaration of Voluntary Action to the White Logistics Movement secretariat.

As a corporate group in the chemical industry, the Kureha Group has production sites in various regions and is engaged in production activities. We are committed to developing together with local communities through various contribution activities including economic, cultural, and educational activities, not to mention environmental preservation in the areas where we have production sites.

The Kureha Group has established "respecting local communities and contributing to their development" as one of our sustainability objectives and is engaged in various activities to gain the trust of society and contribute to the development of local communities by maintaining good communication between local residents, Group companies, and employees, centered around main production sites.

↓ Policy/Policies	↓ Target(s) and What We Have Done/Are Doing
↓ Initiative(s)/Activity(ies)	

Policy/Policies

The Kureha group is committed to respecting local communities and contributing to their development, as stated below in our Responsible Care Policy.

- Building better relationships with society
We shall practice proper public relations through the provision of environmental and safety information, bearing in mind the concerns of administrative authorities and the public. We shall also participate actively as a citizen in the activities of civil society and strive to maintain and build better relationships with society.

Target(s) and What We Have Done/Are Doing

Goals

Build relationships of trust with local communities and contribute to their development, disclose information, have dialogues with them, participate in volunteer activities, and cooperate with local organizations.

Performance and Outcomes (Kureha)

		FY2019	FY2020	FY2021	FY2022	FY2023
CSR local dialogue meeting	Number of participants	About 100 people	Held in writing	Held in writing	Held in writing	About 50 people
Volunteer activities	Number of times	<ul style="list-style-type: none"> • Blood drive: 3 times • Local cleaning: 5 times • Planting: 15 times 	<ul style="list-style-type: none"> • Blood drive: 3 times • Local cleaning: 5 times • Planting: 15 times 	<ul style="list-style-type: none"> • Blood drive: 3 times • Local cleaning: 5 times • Planting: 15 times 	<ul style="list-style-type: none"> • Blood drive: 4 times • Local cleaning: 5 times • Planting: 15 times 	<ul style="list-style-type: none"> • Blood drive: 3 times • Local cleaning: 5 times • Planting: 15 times

Initiative(s)/Activity(ies)

Kureha-kai Medical Corporation (Kureha General Hospital)

GRI 203-1

Kureha General Hospital was established in 1935 as a clinic associated with Showa Jinken Co., Ltd.'s Nishiki Factory (currently Kureha Iwaki Factory). Since 1951, the hospital has been open not only to employees but also to the local community. In 1972, it became independent as Kureha-kai Medical Corporation (Kureha General Hospital).

Currently, we have also opened a Health Management Center, a nursing care facility for the elderly called Gardenia, a visiting nursing station, and an integrated facility for medical and long-term care, all functioning as a multifunctional medical and nursing care base for the southern part of Iwaki City.

→ [Kureha General Hospital \(Japanese Only\)](#) 

→ [ESG Data Collection \(Number of people using the facility\)](#) 

Sunshine Kureha

In July 2014, Kureha established Sunshine Kureha as a special subsidiary* within the Iwaki Factory. Since its establishment, Sunshine Kureha employees with physical, intellectual, and mental disabilities have worked together with able-bodied employees while making the most of their unique capabilities. In July 2024, we celebrated our 10th anniversary. We also accept students from local special education schools for work training and experience, and visit schools to conduct recruitment activities. To ensure that our employees can enjoy a long work life, we create a support network between ourselves, families, and support organizations and conduct periodic interviews.

* Special subsidiary - A company established to promote employment stability of people with disabilities; according to the "Act on Employment Promotion etc. of Persons with Disabilities," when certain requirements are met, the disabled employee of the subsidiary will be counted in the employment rate of the parent company.

→ [Sunshine Kureha \(Japanese Only\)](#) 

→ [Human Capital Development](#) [Employment of People with Disabilities](#)

→ [ESG Data Collection \(Employment of people with disabilities\)](#) 

CSR Local Dialogue Meeting

GRI 2-29, SASB RT-CH-210a.1

The Iwaki Factory, Kureha's main production site, has held annual CSR Local Dialogue Meetings since fiscal 2003 to report the Group's CSR activities to the local community and to provide an opportunity to exchange opinions.

In addition to inviting local organizations (government agencies, community organizations, neighborhood association board members, and neighborhood businesses) to participate, we also set up booths for group companies to deepen interaction with attendees. We also conduct business site tours after the meeting.

Visit and Tour of Iwaki Factory

The Iwaki Factory actively welcomes visitors from the local community to familiarize themselves with our production sites. We also hold Kureha Tours for employees' families.

Educational Support

- Conducted tours for local junior high school, high school, and technical college students to learn about the equipment and the work done at the chemical factory (Iwaki Factory)
- Accepted local junior high school, high school, and technical college students for internships and sessions to experience the workplace (Iwaki Factory, Plastics Processing Factory)
- Provided an opportunity to learn about how employees work and examples of how to create an environment that promotes health, as part of the class on health activities for workers for nearby nursing students (Plastics Processing Factory, Hyogo site)

Culture and Sports Exchange

We participate in local community association events and interact with the local community to deepening our relationships with local residents, coexisting with, contributing to, the community.

Volunteering and Donating

- Held blood drives (Iwaki Factory)
- Neighborhood environmental beautification and conservation activities
- Collect plastic bottle caps to support vaccinations (Iwaki Factory, Plastics Processing Factory)
- Pink Ribbon support activities
- Support the United Nations World Food Programme (UN WFP)
- Sponsorship of the Bellmark campaign*
- Donations (including donations to the 2024 Noto Peninsula Earthquake through the Japanese Red Cross Society)

* Bellmark campaign: An education support campaign launched in 1960 by the Education Equipment Support Foundation (currently Bellmark Foundation), which was established by approval from the Ministry of Education, Culture, Sports, Science and Technology in response to a call to "provide every child with equal access to education in an enriching environment."

Provision of Supplies in Times of Emergencies

- Agreement with Omitama City of Ibaraki Prefecture to supply daily necessities in the event of a disaster, in October 2017 (Plastics Processing Factory, Ibaraki site)
- Agreement with Fukushima Prefecture regarding the procurement of supplies in the event of a disaster, in February 2018 (Iwaki Factory)
- Agreement with Tanba City of Hyogo Prefecture regarding the procurement of supplies in the event of a disaster, in August 2023 (Plastics Processing Factory, Hyogo site)

Governance Report

Strengthening our corporate governance is a key management issue for Kureha in achieving continuous enhancement of our corporate value and building strong relationships of trust with our stakeholders. Our Company has established Corporate Governance Guidelines that set forth our basic approach and policies regarding corporate governance and demonstrate our stance to shareholders and investors. Following our Corporate Governance Guidelines, we will enhance the transparency of our management and secure relationships of trust with our stakeholders as we continue to grow as a company and fulfill our social responsibilities. We will also work to enhance and improve the effectiveness of corporate governance throughout our Group.

Corporate Governance →	Risk Management →
Ethics and Compliance →	Promoting DX →
Information Security →	Responsible Care Activities →
Strengthen Research and Technology Development Capabilities →	

Corporate Governance

Based on the Corporate Governance Guidelines, Kureha strives to enhance management transparency, secure relationships of trust with stakeholders, and fulfill its corporate social responsibility and achieve sustainable growth. We will also work to enhance the effectiveness of corporate governance in the Group.

- ↓ Basic Policy
- ↓ Corporate Governance Structure
- ↓ Internal Control System
- ↓ Executive Remuneration
- ↓ Shareholding Status
- ↓ Risk Management
- ↓ Compliance

Basic Policy on Corporate Governance

Kureha aims to enhance its internal control functions, including the implementation of compliance, to conduct fair and transparent management, and to enhance the effectiveness of corporate governance based on the Corporate Governance Guidelines. In this way, we aim to achieve sustainable growth and enhance the Group's corporate value over the medium to long term.

Corporate Governance Structure

To strengthen corporate governance and expedite decision-making and business execution in the Group's management, we will clarify management oversight and execution responsibilities.

Board of Directors

Based on the size and details of businesses of Kureha and Group companies, the Board of Directors consists of up to ten individuals, of which at least one-third shall be Independent Outside Directors. In appointing Directors, the Company places the highest priority on their experience in corporate management. And by creating a skills matrix that lists candidates' areas of expertise and experience, and combining different specialist areas and backgrounds, the Company comprehensively takes into account factors such as the balance of knowledge, skills and experience within the Board of Directors as a whole; its diversity including gender, international character, career background, and age aspects; and the appropriate size of the Board to make the final decision.

Executive Committee

The Executive Committee, which consists of the President & CEO and executive officers as key members, deliberates on the Company's important management issues. The consolidated Executive Committee also exchanges views on management policies and business strategies to strengthen consolidated management.

Audit & Supervisory Board

The Audit & Supervisory Board consists of four or fewer Audit & Supervisory Board members, including two or more independent outside Audit & Supervisory Board members, and has appropriate knowledge of finance and accounting. The Audit & Supervisory Board members monitor the deliberation processes of board's resolutions and reports and audit the execution of duties. In addition, Audit & Supervisory Board members exchange

opinions with the independent auditor and the Internal Control and Auditing Department regarding audit plans and the status of audits to ensure mutual cooperation.

Independent Auditor

Kureha has appointed Ernst & Young ShinNihon LLC as its independent auditor and has been subjected to fair and impartial accounting audits by properly providing management information.

Internal Control and Auditing Department

The Internal Control and Auditing Department, which acts independently of other departments, assesses and verifies the suitability and effectiveness of internal management control systems, makes suggestions and recommendations regarding improvements, and reports the results of audits to the Board of Directors and others. By doing so, we ensure a system that contributes to improving management efficiency and public trust in Kureha.

Nomination Advisory Committee (Non-Mandatory)

The Nomination Advisory Committee deliberates on matters concerning the appointment and dismissal of the chairperson, President & CEO, representative directors and directors, as well as candidates to succeed the President & CEO and relevant succession plans, and examines the content of proposals to the Board of Directors.

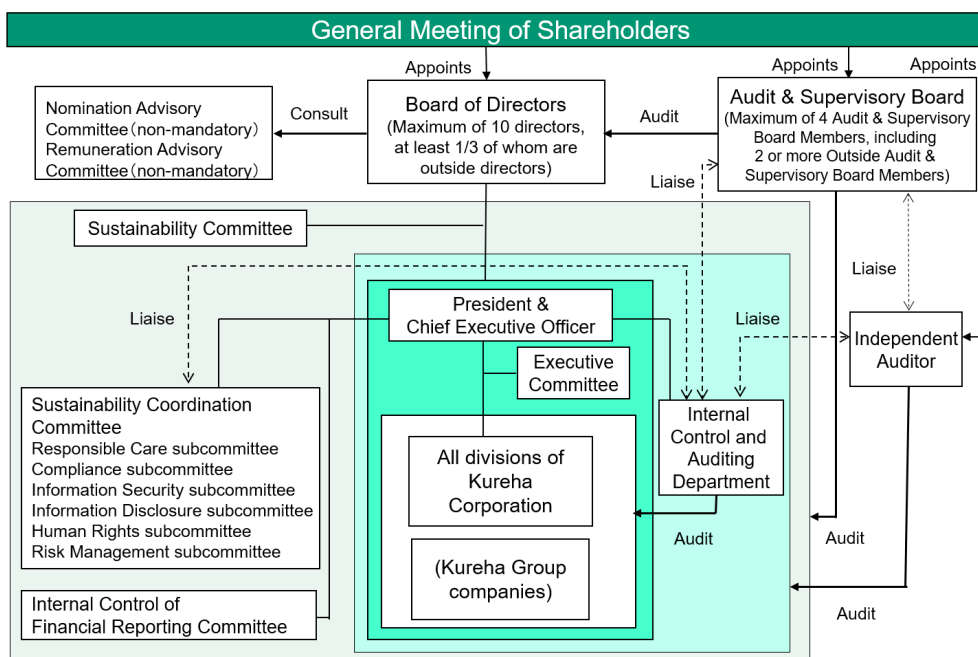
Remuneration Advisory Committee (Non-mandatory)

The Remuneration Advisory Committee deliberates on matters related to the system and policies regarding remuneration for directors and executive officers and examines the content of proposals to the Board of Directors.

Assessment of the Effectiveness of the Board of Directors

To improve the functions of the Board of Directors, Kureha shall conduct an annual analysis and evaluation of the effectiveness of the Board of Directors and disclose an overview of the results. From FY2015 to FY2020, the Company conducted evaluations of the effectiveness of the Board of Directors using a questionnaire based on a scoring system, and in this process, the Company continued to make improvements focused on lowscoring items, established the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee, and improved the efficiency of the operation of the Board of Directors. As a result, all items reached a high level, and from the FY2021 evaluation of the effectiveness of the Board of Directors, for the Company's Board of Directors to fulfill their roles and functions at a high level, a questionnaire style was adopted with the aim of sharing the essential issues and discussing initiatives for resolving those issues, in which respondents specifically described those items requiring further improvement and items that should be discussed as a priority. In FY2022 as well, the Board of Directors deliberated based on the results of this questionnaire survey. Specifically, evaluation was conducted on (1) size and composition of the Board of Directors, (2) operation of the Board of Directors, (3) Board of Directors discussions, (4) nomination, remuneration, and auditing, and (5) themes and management issues to be raised as a priority. As a result, Kureha confirmed that there were no items mentioned as requiring immediate action, that gender diversity had progressed at the Board of Directors, and that the effectiveness of the Board of Directors as a whole was ensured. On the other hand, human capital development, including management, was confirmed as an issue that should be discussed in depth on an ongoing basis. Based on the results of evaluation and deliberations for FY2022, Kureha will continue to make efforts to further enhance the deliberations of the Board of Directors, and will further deepen discussions on the implementation of the new mid- to long-term management plan "Toward Creating a New Future" and human resources development in FY2023.

Corporate Governance Structure



On April 1, 2023, Kureha established the Sustainability Coordination Committee to oversee and promote sustainability activities.

Accordingly, the Compliance Committee, CSR Committee, Information Management Committee, and Risk Management Committee, as well as their respective sub-organizations, were abolished on the same date and reorganized and established as six subcommittees under the Sustainability Coordination Committee.

Skills and Experiences of Board Directors

		Corporate Management & Strategic Planning	Manufacturing	Research & Development	Marketing & Business Strategy Planning	Financial, Accounting	International, Global Business Management	Legal, Governance, Compliance, Risk Management	ESG, Sustainability	Personnel Strategy & Human Resources Management
Directors	Yutaka Kobayashi	○			○		○	○		○
	Hiroyuki Tanaka	○	○		○	○	○	○	○	○
	Naomitsu Nishihata	○	○	○	○		○	○		
	Katsuhiro Natake	○			○	○	○			
	Osamu Tosaka	○	○	○	○		○	○	○	
	Osamu Iida	○	○	○	○		○	○	○	
	Yumiko Okafuji					○	○	○	○	
Audit & Supervisory Board Members	Michihiko Hayashi	○			○			○		○
	Katsuo Okuno	○				○	○	○		
	Tsukasa Sakane	○				○	○	○		

Corporate Governance Report

Corporate Governance Guidelines

→ “Corporate Governance Guidelines” (April 18th 2023) [📄](#)

→ “Corporate Governance Report” (June 27th 2024) [📄](#)

Internal Control System

The Board of Directors has adopted a resolution on the “Basic Policy on Internal Control Systems.” To ensure that the Group complies with laws and regulations and conducts our business operations in an appropriate manner, we are working to establish various committees, develop internal rules, and respond to laws and regulations. We also review the performance of internal control systems every year and publish a summary of the review in our Business Report. As for internal control of financial reports to ensure their reliability, we have established basic rules and implement management’s assessment and certified public accountant’s auditing of the effectiveness of the internal control of financial reports, as stipulated in the Financial Instruments and Exchange Law. At the same time, under the responsibility of the President & CEO, we publish Internal Control Reports.

Executive Remuneration

- When determining remuneration, etc. for Directors and Vice Presidents, the Board of Directors reflects corporate performance and medium- and long-term growth of corporate value, and also considers securing and retaining appropriate human resources, and sets the remuneration structure and level that are appropriate to the required roles and responsibilities.
- Remuneration for Directors consists of 1) basic remuneration and 2) bonuses as performance-linked remuneration, etc. as monetary remuneration, as well as 3) pre-delivery type restricted stock remuneration and 4) performance-linked restricted stock remuneration as performance-linked remuneration, etc. as nonmonetary remuneration; provided, however, remuneration for Outside Directors is limited to basic remuneration, considering their roles.
- Remuneration for Vice Presidents consists of 1) basic remuneration and 2) bonuses as performance-linked remuneration, etc. as monetary remuneration, as well as 3) pre-delivery type restricted stock remuneration as non-monetary remuneration.
- Changes to the remuneration system for Directors and Vice Presidents shall be decided by the Board of Directors based on comprehensive consideration of trends at other companies, and after deliberation by the Remuneration Advisory Committee, a non-mandatory advisory board to the Board of Directors.

Shareholding Status

／ Criteria and Approach for Classification of Investment Shares

Kureha holds shares either for the purpose of pure investment or for purposes other than pure investment and classifies them according to this difference. The shares classified as shares for pure investment are held for the purpose of receiving profits from fluctuations in the value of shares or dividends from the shares. The shares classified as shares for purposes other than pure investment are held based on the assumption that they will contribute to current business as well as the sustainable and medium to long-term enhancement of corporate value. Kureha does not hold shares for the purpose of pure investment.

／ Investment Shares held for Purposes other than Pure Investment

Policy on shareholdings, method for verifying the reasonableness of shareholdings, and details of verification of appropriateness of shareholdings for each stock conducted by the Board of Directors

Kureha holds the shares of its business partners if it is judged that doing so will contribute to current business as well as the sustainable and medium and long-term enhancement of corporate value. The Board of Directors

verifies the significance of holding shares for purposes other than pure investment by examining whether the purpose of shareholdings is appropriate and whether the benefits and risks of holding the stock are commensurate with the cost of capital. We will reduce stocks that are deemed no longer necessary in stages, taking into account a comprehensive range of factors, including dialogue with business partners, the impact on the market, and whether capital is being used effectively.

In fiscal 2022, we decided to reduce 2 stocks based on the results of the examination at the Board of Directors meeting held on May 17, and as of the end of March 2023 we held 50 stocks. (Sold all shares of one out of three stocks we held)

Risk Management

The Group's basic policies on risk management include identifying risks that may adversely affect its management on a company-wide basis, preventing the emergence of such risks, and taking necessary measures in advance to mitigate the impact of risks and keep them within the acceptable range in the case of the emergence of risks. The Company has established the Risk Management Rules and has established the Risk Management subcommittee as a subordinate organization of the Sustainability Coordination Committee with the following roles in order to promote and supervise risk management.

1. Formulate and manage the progress of annual plans for the Company's risk management
2. Identify, analyze, and assess existing risks for the Company
3. On the basis of the analysis and assessment described in 2., consider and implement countermeasures for risks determined as "significant risks," and monitor their implementation status
4. Maintain, correct, and improve the Company's risk management system (risk management mechanisms including the structure and implementation process)
5. Support risk management by each company in the Group
6. Examine efforts to promote, operate, and improve the Company's Business Continuity Plan (BCP)
7. Other matters related to risk management

Compliance

The management and employees of Kureha and its Group companies comply with all relevant domestic and international laws and regulations in all aspects of their corporate activities and practice activities in accordance with social norms.

Compliance system

- In accordance with the Kureha Group Charter of Corporate Behavior, Kureha and each of its Group companies establish their own Compliance Rules and work to comply with domestic and foreign laws, as well as social norms and the spirit of said norms.
- Kureha establishes a Sustainability Coordination Committee chaired by the President & Chief Executive Officer or a Director or Vice President appointed by the President & Chief Executive Officer, and establishes a Compliance subcommittee as a subordinate organization to develop, maintain and operate a cross-departmental compliance system. Kureha works to ensure thorough compliance in accordance with the

Employee Code of Conduct based on the Kureha Group Charter of Corporate Behavior and supports thorough compliance at Group companies.

- Kureha and Group companies establish Compliance Hotlines Handling Rules to identify and promptly address any violations of compliance at an early stage, and put in place internal and external (attorney) compliance hotlines for receiving reports and consultations related to compliance.
- Kureha establishes the Internal Control of Financial Reporting Committee, chaired by the Director or Vice President who supervises the accounting department, and ensures the reliability of its financial reports through the smooth implementation of the Basic Rules for Internal Control of Financial Reports.

Risk Management

The Kureha Group analyzes and evaluates risks, then considers and implements countermeasures for high-priority risks in accordance with the Group's Basic Policy on Risk Management. We also apply the Plan Do Check Action (PDCA) cycle to this process to promote risk management.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

With the approval of our Board of Directors, the Kureha Group has the following basic policy on risk management.

Kureha Group Basic Policy on Risk Management

Kureha Group Basic Policy on Risk Management

Understand the risks to Kureha Group's management and prevent them from occurring, and take necessary preventive measures to reduce the impact of risks that occur to an acceptable range.

Management Structure

GRI 2-24

Acting under the supervision of the Risk Management Subcommittee (a body under the Sustainability Coordination Committee), the departments and subcommittees appropriate to the classification of risks accompanying business activities take charge of risk management, in cooperation with the departments that directly address individual risks.

The Risk Management Subcommittee works to build our risk management system and verify implementation processes, while preventing omissions in the recognition of high-priority risks from a group management perspective.

Risk Management Implementation

GRI 2-25

Kureha and Group companies use the following process to manage risk:

1. Identify risks

The supervising department identifies individual risks (in detail) according to type, analyzes their level of importance, and rates them by priority of response.

2. Analyze and rate risks

The Risk Management Subcommittee and the Risk Management Committee and Secretariat at each Group company review the analyses and ratings of individual risks and gives any necessary instructions to the supervising department.

3. Monitor the response to risks

The supervising department monitors how the responsible department responds to individual risks judged to be high-priority and gives further instructions accordingly.

4. Report and verify monitoring results

The supervising department and the Risk Management Committee and Secretariat at each Group company report the results of monitoring to the Risk Management Subcommittee. Reports are submitted by the Subcommittee to the Sustainability Coordination Committee, which verifies the results of monitoring and, in line with the results of verification, provides necessary instruction to the supervising department.

The Risk Management Subcommittee reports on the status of the above to the Executive Committee and the Board of Directors through the Sustainability Coordination Committee, and releases timely updates on responses to major high-priority risks as appropriate.

Target(s) and What We Have Done/Are Doing

Target

Reduce to zero the risks that could materialize which could have a significant impact on business continuity and profit of Kureha Group companies.

What We Have Done (the Kureha Group)

Although no risks arose that could affect the continuation of the Group's business, profit decreased significantly compared to FY2022 due to the mainstay PVDF business for EV applications remaining sluggish in the European market, our main sales region, and the rise of LFP batteries in the Chinese market, the largest market in the world.

Initiative(s)/Activity(ies)

Important Risks

→ [Annual Securities Report, Business Risks \(Japanese Only\)](#) 

Business Continuity Plan

In fiscal 2014, we developed and strengthened countermeasures to large-scale disasters such as earthquakes and formulated a Business Continuity Plan (BCP). In fiscal 2019, we started updating our BCP to include countermeasures to storm and flood damage, which have been increasingly severe in recent years. And we will continue to enhance our BCP by predicting and analyzing ever-changing disaster scenarios.

With the recent COVID-19 pandemic, we revised our Guidelines for Control of New Infectious Disease. We created COVID-19 response manuals matched to the specifics and circumstances of our head office and business sites, ensuring business continuity.

Overseas Crisis Management System

Kureha and Group companies have formulated a manual for expatriates and business travelers to use in crises to ensure employee safety and minimize damage in the event of an emergency overseas. We are also providing a medical assistance service run by a crisis management company for our employees while they are overseas.

We also support our overseas employees by providing crisis management information, timely alerts, instructions on travel restrictions, etc.

Ethics and Compliance

The Kureha Group recognizes compliance – the foundation for sustainability management that pursues sustainable development for society and the company – as a material issue in sustainability. In all aspects of corporate activities, the management and employees of our Group companies comply with domestic and international laws and regulations and conduct activities in line with social norms.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

The Kureha Group's Charter of Corporate Behavior is the guideline for actions to be taken by management and employees to keep activities in accordance with social norms and to achieve a sustainable society and sustainable growth for the Group.

→ [Kureha Group Charter of Corporate Behavior](#)

Kureha Group Anti-Bribery Policy

GRI 205-2

Kureha Group Anti-Bribery Policy

The Kureha Group has set out engaging in appropriate transactions and maintaining sound relationships within the political and government sphere as one of the principles in the Kureha Group Charter of Corporate Behavior and has prohibited bribery in the Kureha Group Code of Conduct. This policy has been established with the objective of implementing and putting these principles into practice, and it applies to all Group officers and employees.

1. Prohibition on Acts of Bribery

The Kureha Group does not directly or indirectly provide, offer, or promise bribes to public officials, those in equivalent positions, or business partners in Japan or overseas. Moreover, the Kureha Group does not accept or request bribes or the promise of bribes from public officials, those in equivalent positions, or business partners in Japan or overseas.

2. Prohibition on Bribery via Third Parties

The Kureha Group does not give instructions to provide or accept bribes via third parties such as consultants or agents and does not condone bribes via such third parties when it is aware of actual bribery or indications of bribery.

3. Education

The Kureha Group provides regular training to officers, employees, and others to further reinforce awareness of ethics to prevent acts of bribery and to ensure the operation of systems to prevent bribery.

4. System Verification and Review

The Kureha Group verifies the functioning of systems to prevent bribery based on this policy through regular and irregular audits and makes revisions and improvements as necessary.

5. Records

The Kureha Group prepares accounting books and other records accurately based on facts and retains such records appropriately to enable compliance with this policy to be verified and demonstrated.

6. Reports

The Kureha Group requires its officers and employees to report any violations or suspicions of violations of this policy to their supervisor or the compliance hotline promptly to enable timely and appropriate action.

7. Discipline

The Kureha Group promptly takes appropriate disciplinary action in accordance with work regulations in the event that an officer, employee, or other related person violates this policy.

January 1, 2024

Kureha Corporation

Kureha Group Tax Policy

GRI 207-1, GRI 207-2, GRI 207-3

The Kureha Group's Tax Policy ensures that the Group has a proper understanding of the tax-related laws and regulations, and the spirit thereof, in each country and region where the Group operates, and fulfills its tax obligations appropriately. By ensuring transparency in taxation along with timely and appropriate payment of our tax obligations under this policy, we aim to contribute to economic and social development in every country and region where we operate.

Kureha Group Tax Policy

1. Compliance

The Group complies with the tax-related laws and regulations of the countries and regions in which it operates, appropriately utilizing preferential tax treatment and other benefits recognized under the tax laws of each country, and files and pays taxes accordingly, thereby contributing to the economies of those countries and regions, with the aim of fostering harmony and stable development together.

In addition, in order to ensure tax accuracy, the Group will perform proper accounting in compliance with applicable statutes and regulations.

2. Tax planning

The Group will conduct fair and appropriate tax planning that reflects its business activities. In addition, we will comply with international rules on taxation and the laws and regulations of each country and region in which we operate, and strive to minimize tax risks.

The Group does not engage in tax avoidance activities by using tax havens or by planning taxes in a manner that does not conform to its actual business situation.

3. Initiatives to minimize tax risks

Although the Group makes every effort to comply with the tax laws of each country in which it operates, there is a certain degree of possibility that the tax authorities in any such country may not understand the treatment that the Group deems appropriate.

The Group will seek advice from external tax specialists when deemed necessary, and will fully investigate, evaluate, and consider multiple alternatives in order to make appropriate decisions. We believe that these measures will minimize the risk of tax litigation and additional taxation.

4. International taxation

(1) Transfer pricing

The Group believes that by distributing income internationally in accordance with the contributions of each Group company, appropriate tax payments will be implemented in each country and region. Based on this recognition, the Group applies a transfer pricing methodology based on function and risk analysis to determine the prices of transactions with foreign affiliates in accordance with relevant international regulations such as the OECD Transfer Pricing Guidelines.

In order to reduce tax risks related to transfer pricing, the Group obtains advice from external experts and utilizes the Advance Pricing Agreement (APA) and other methods with tax authorities.

(2) Elimination of double taxation

In the event that double taxation occurs on the same economic benefit in more than one country or region, the Group will endeavor to eliminate such double taxation through application of tax treaties or mutual consultation between countries.

5. Relations with tax authorities

The Group will respond in a timely manner to inquiries and requests for information from tax authorities and maintain good relationships with them.

In addition, in order to reduce uncertainties associated with tax operations and ensure tax transparency, the Group will strive to provide tax treatments that can be reasonably explained, and to promptly resolve any differences of opinion with tax authorities in other countries that may arise.

In addition, for items that have received guidance from the tax authorities in the past, measures will be taken to prevent recurrence of error.

Established June 2022

Kureha Corporation

Management Structure

GRI 2-24, GRI 205-1, GRI 205-3, GRI 207-2, GRI 207-3

The Compliance Subcommittee was established in April 2023 as a subordinate body of the Sustainability Coordination Committee. The Sustainability Coordination Committee is chaired by a director or executive officer. Progress and results of the Compliance Subcommittee are reported to the Sustainability Coordination Committee for appropriate supervision by management. Kureha has always conducted regular training for all employees to ensure that each and every employee is aware of the importance of compliance. In fiscal year 2023, Kureha conducted group training and e-learning for newly hired employees and newly promoted managers.

The Internal Control & Auditing Department, which reports directly to the President, evaluates and verifies the appropriateness and effectiveness of internal management systems and other systems, including compliance, in internal audits covering the Group.

The Group ensures thoroughness in all activities and controls based on its tax policy. We conduct reasonable tax work in compliance with tax-related laws and regulations by following proper accounting practices and seeking advice from external specialists such as certified public tax accountants. Duties related to tax work are carried out by the director in charge of the Accounting Department. The Audit & Supervisory Board and its members audit the execution of duties by directors from an independent and objective standpoint.

Target(s) and What We Have Done/Are Doing

KPI	Company/companies	FY2023 Result	FY2025 Target
Number of violations of laws and regulations affecting the Kureha Group's profit and loss and operations	Kureha		
	Group Companies in Japan	0	0
	Overseas Group Companies		

In fiscal year 2023, there were no employee terminations resulting from noncompliance and no fines, penalties, or settlements related to corruption.

Initiative(s)/Activity(ies)

The "Kureha Group Charter of Corporate Behavior" and "Kureha Group Code of Conduct"

In April 2023, we established the "Kureha Group Charter of Corporate Behavior" to promote actions that take ESG (Environmental, Social and Governance) into consideration in addition to conventional compliance-related matters, aiming to achieve both a sustainable society and sustainable growth of our Group. In January 2024, we also established the "Kureha Group Code of Conduct" as a standard of conduct for members of the Kureha Group, which operates globally, to put the "Kureha Group Corporate Philosophy" into practice, and as a standard of judgment to ensure that management and employees share a common set of values.

Compliance Education

GRI 2-24, GRI 205-1, GRI 205-2

Through compliance awareness surveys and information exchange meetings on the topics of incident response and education at Kureha and Group companies, the Kureha Group is making efforts to foster a compliance mindset throughout the Group and to maintain and strengthen its compliance structure.

- Education with the "Kureha Group Code of Conduct Handbook"
- Compliance awareness surveys (including at Group companies)
- Information exchange meetings on the topics of incident response and education at Kureha and Group companies
- Education on security export control
- Reviews of antitrust law compliance, personal information protection, etc.

→ ESG Data Collection (Compliance education and number of participants) 

Whistleblowing System

GRI 2-16, GRI 2-25, GRI 2-26, GRI 403-2

We also have a hotline-based whistleblowing system that employees can use if they discover a compliance problem, have a question, or are unsure of how to handle something. Compliance advice on product safety, human rights, the environment, health and safety, fair and free competition, and relations with politics, government, and society is also available through the hotline. Internal rules prohibit disadvantageous treatment of persons for reporting or consulting via the hotline.

To encourage use of the hotline, we have set up an external consultation desk staffed by attorneys and a special harassment desk staffed by female counselors. We have also introduced an in-house leniency program that lessens discipline taken against those who voluntarily report their own violations.

There were 13 whistleblowing cases in fiscal 2023. The importance of each case was considered and one was reported to the Board of Directors in light of its severity, and disciplinary action was taken in accordance with internal regulations for cases that required it.

Administration of Tax Matters

GRI 2-16, GRI 2-25, GRI 2-26

The Group ensures thoroughness in all activities and controls based on its tax policy. No significant issues related to tax risks were identified in fiscal year 2023.

Promoting DX

The Kureha Group has positioned promoting digital transformation (DX) as one of the most important measures. Based on the DX infrastructure that we have built up to date, we will enhance our corporate competitiveness by leveraging data and digital technology.

Looking back on the seven years of Kureha DX (KDX) that began in fiscal 2017, we reviewed it from a systemic perspective and established a new DX Center in our headquarters organization in April 2024. Under the strengthened organization, Kureha will work to restart its DX strategy as KDX2.0 from fiscal 2024.

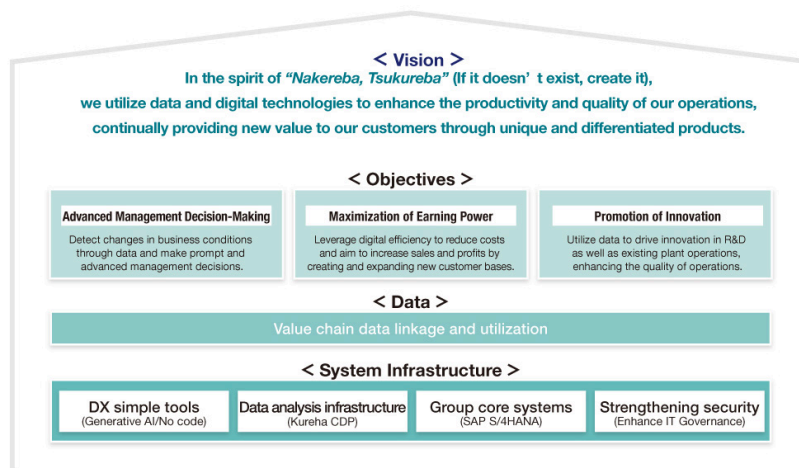
Kureha's DX strategy is not just about streamlining operations through the use of digital technology, but is also about improving management decision-making, maximizing earning power, and promoting innovation by leveraging data and digital technology.

- ↓ Vision
- ↓ Management Structure
- ↓ Purpose and Major Themes
- ↓ Initiative(s)/Activity(ies)

Vision

Kureha's DX Vision

In the spirit of "If it doesn't exist, make it." we will continue to provide new value to our customers with unique and differentiated products by leveraging data and digital technology to improve the productivity and quality of our operations.



Management Structure

In April 2024, a Digital Transformation Center was newly established in the headquarters organization and made the Digital Transformation Promotion Department a permanent organization for the DX project we have undertaken to date. The Digital Transformation Center is staffed by the Information Systems Department and Digital Transformation Promotion Department, formulating policies for DX and IT, and

unifying and coordinating the activities of both departments. Also, cross-organizational projects and task forces are established as needed to promote company-wide issues in the center.

The Board of Directors receives regular reports on DX-related activities, and supervises those activities.

Purpose and Major Themes

We have established the following purposes to realize Kureha's DX Vision.

1. Improve management decision-making

By detecting anomalies (changes in data) from various systems spread throughout the company and quickly identifying signs of change, support advanced and rapid management decisions, such as timely strategy reviews and resource allocation.

2. Maximize earning power

We will fundamentally review our business processes, reduce wasteful operations, and aim to reduce costs by increasing efficiency and decreasing manpower through automation and digitalization. In addition, the Company will increase sales and profits by creating new customers and expanding sales.

3. Promote innovation

Promote innovation in existing operations, such as R&D and factories, through the use of data and digital technology. In addition, develop an educational foundation to foster human resources capable of achieving these goals.

In accordance with the above three purposes, we have established the following six key DX themes to be promoted in the future.

1. Improve management decision-making

Business management system	Monitor ROIC/WACC by business and make appropriate management decisions
Optimization of the supply chain	Monitor and optimize production, sales, and inventory. Detect anomalies and respond quickly. Support stable production

2. Maximize earning power

Smart factories	Automate factory equipment to reduce manpower and promote reduction of costs, improve production efficiency and quality, and reduce worker workload
Digital marketing	Identify potential customers for products, accurately understand customer needs, and provide optimal customer service

3. Promote innovation

Materials informatics	Computational science to improve accuracy and speed up the search for new materials
Improve operations with data analysis	Data analysis to improve yields and reduce manufacturing defects

Initiative(s)/Activity(ies)

Integration of ERP Systems and Operations

The Company's core systems (financial accounting, management accounting, sales management, inventory and purchase management, production management, etc.) had been optimized for each site. The core systems of domestic and Asian Group companies were integrated on the occasion of the introduction of SAP S/4HANA (as of May 2024). At the same time, simple and standardized business processes were developed and deployed to each company. This has led to standardization of data, more efficient and faster collection of consolidated management information, and enhanced management across the group.

Improvement of Business with Intelligence Tools

Business intelligence tools are distributed to each department to support the making of decisions based on data. This has allowed visualization and analysis of data in daily operations to permeate throughout the company. About 70 business applications are in operation in the areas of procurement, production, distribution, sales, and after-sales service, and the number of users is now over 600. They are now indispensable tools for business operations, and have improved operational efficiency and quality.

Enhancement and Improvement of the Efficiency of Production and Operation Management

Iwaki Factory has a number of chemical plants that manufacture our main products. With the introduction of an integrated system to manage operation information, plant operation data that until now could only be checked on-site can now be used in many departments. With this system, it has been possible to speed up the troubleshooting and equipment adjustments due to analysis of operating conditions. Also, the introduction of a system to manage operation has enabled reliable transmission of work instructions and reports, leading to a reduction of about 2,500 hours of work time over about one year since the system was introduced. In the future, we will further strengthen our analysis and improve our quality competitiveness.

Digitalization of Marketing Operations

The company is promoting digitalization in all areas of marketing, including web advertising, web page improvement, marketing automation, and the introduction of sales force automation to improve the quality and efficiency of sales promotion activities in the sales division. For particular products, the number of inquiries increased tenfold after we put advertising on the Web and other significant effects were observed. In addition, the reporting and confirmation of customer contact information has been firmly established, management within the sales department has been strengthened and streamlined, supporting daily sales activities.

Promotion of the Use of Generative AI

We see generative AI (ChatGPT) as a tool that can be applied to a wide range of internal operations and expect it to greatly improve them. We introduced a generative AI system that can be used by all employees, and began using it in December 2023. We are establishing guidelines for use of the system and are promoting its use through internal announcements. Currently, about 60% of employees are using the system in their work, and it is bringing about improvements in such areas as market research, preparation of reports and minutes, translation, and the creation of software programs.

Information Security

Kureha Group has basic policies for information security and maintains the availability, integrity, and confidentiality of the information assets of our Group, managing information appropriately with an information security management system, and avoiding the occurrence of major incidents related to information management that affect the sustainability of management.

- ↓ Policy/Policies
- ↓ Management Structure
- ↓ Target(s) and What We Have Done/Are Doing
- ↓ Initiative(s)/Activity(ies)

Policy/Policies

Kureha Group Basic Policy on Information Security

Establishing safe and reliable controls for appropriate sharing and utilizing of all business-related information is one of our most important management issues. Kureha Group's basic policy on information security is as follows:

Kureha Group Basic Policy on Information Security

1. Kureha Group will maintain the availability, integrity, and confidentiality of our information assets and promote appropriate information security management activities.
2. Based on the entire group's continual efforts to improve the information security, Kureha Group will continue to provide education so that every employee can recognize the importance of information security and put it into practice.
3. Kureha Group will carry out risk assessments on their respective information assets and take appropriate risk management measures.
4. Kureha Group will strictly adhere to relevant laws and regulations.

Basic Information Security Policy

Kureha Corporation recognizes the establishment of secure and reliable management for appropriate sharing and use of all information concerning business activities as one of the priority issues for management and sets out the following as its basic policy on information security.

→ [Basic Information Security Policy](#)

Management Structure

GRI 2-24

In accordance with our corporate governance structure, the Board of Directors oversees information security and makes decisions on important matters such as the Basic Policy on Information Security. The Sustainability Committee, an advisory body to the Board of Directors, meets twice a year in principle to monitor sustainability issues to be addressed by the Group, including information security, and makes recommendations to the Board of Directors. As an executive function, the Sustainability Committee formulates specific plans for the Group as a whole regarding sustainability issues, including information security, and manages the progress of these plans.

We have an Information Security Subcommittee under the Sustainability Coordination Committee, and have built and operate an Information Security Management System (ISMS) conforming to JIS Q 27001:2014 in order to effect continuous improvements to our information security. In fiscal 2019, we set up a Computer Security Incident Response Team (CSIRT) and a system to minimize information security incidents. We are also undertaking a review of our workflows and systems to address major threats and enable immediate action by the CSIRT.

Target(s) and What We Have Done/Are Doing

KPI	Company/ companies	FY2019 Results	FY2020 Results	FY2021 Results	FY2022 Results	FY2023 Results	FY2025 Target
Number of security incidents affecting management	Kureha	0	0	0	0	0	0
	Group Companies in Japan	0	0	0	0	0	0
	Overseas Group Companies	0	0	0	0	0	0
Number of incidents of personal information leaks	Kureha	0	0	0	0	0	0
	Group Companies in Japan	0	0	0	0	0	0
	Overseas Group Companies	0	0	0	0	0	0

Initiative(s)/Activity(ies)

Countermeasures to Cyberattacks

We have systems to detect and block incoming cyberattacks and to minimize damage when intrusion is detected. We maintain stable operation of the system through 24/7 year-round monitoring by a security vendor.

Risk Assessment of Information Assets

We are reducing risk by systematically assessing the security risks of our information assets and implementing countermeasures.

Preventing Information Leaks

We maintain a system of high-level security at all times through regular diagnostics by security vendors and through measures to strengthen security in response to cyberattacks, which are increasing in sophistication and ingenuity day by day.

Education and Training about Information Security

We continually provide information security education to all employees. We also conduct drills that simulate targeted email attacks to train users in proper responses to suspicious email.

Information Security Measures for Telecommuting

We have established a user's guide for the telecommuting system introduced in July 2022 detailing the concept of information security and various rules for doing work at home, and have stipulated compliance with the guide as one of the conditions for applying telecommuting.

Countermeasures to Information System Disasters

We have introduced cloud services that incorporate disaster countermeasure environments for our enterprise system and internal email system. We make use of robust data centers in Japan, taking into account disaster countermeasures for our electronic file system as well.

Responsible Care Activities

SASB RT-CH-530a.1

As a company in the business of handling chemical substances, the Kureha Group makes voluntary efforts to preserve the environment and protect personal safety and health in all business processes, from product development to product manufacturing, distribution, usage, final consumption, disposal, and recycling. The Kureha Group refers to these efforts as Responsible Care (RC) activities.

Responsible Care (RC) activities are based on seven items: environmental protection, safety and disaster prevention, occupational safety and health, product safety & quality assurance, logistics safety, energy management, and community relations.

Signed the Responsible Care Global Charter and Announced International Cooperation and Promotion of RC Activities: Kureha

Responsible Care (RC) is a global initiative practiced by chemical companies in 63 countries and territories. The Global Charter was established as a guiding principle of activities to spread and promote RC activities around the globe, which all chemical companies operating globally are encouraged to sign and implement. The RC Global Charter, enacted by ICCA, was first published in 2006. By 2014, key activities were changed in the revision of the Charter. Kureha signed the revised Charter in September of the same year, in the name of the President and Representative Director, announcing our international cooperation with RC activities.

↓ Policy/Policies ↓ Management Structure

Policy/Policies

GRI 2-23

Kureha has belonged to the Japan Responsible Care Council (currently Japan Chemical Industry Association RC Committee) since its inception. We declared the implementation of RC in April 1995, and, having established our RC policy, have been promoting RC activities.

Declaration of Responsible Care Implementation

Declaration of Responsible Care Implementation

Kureha Corporation and the companies of the Kureha Group believe that preservation of the global environment and ensuring the safety and health of people are core elements of business operations. Recognizing these as our corporate social responsibility, we declare a commitment to implement Responsible Care. Kureha and the companies of the Kureha Group shall formulate and put into practice a plan of implementation under the following Responsible Care Policy.

This policy shall be applied in common to Kureha and the companies of the Kureha Group.

April 20, 1995

July 1, 2002 Partially revised
October 1, 2005 Partially revised

Responsible Care Policy

✓ Responsible Care Policy

- Compliance with international regulations and laws

We shall comply with international regulations and domestic laws with respect to safety and disaster prevention, occupational safety and health, product safety, and preservation of the global environment, including the environment for community life, and shall participate actively in Responsible Care activities promoted by the Japan Chemical Industry Association.

- Earth-friendly, safe operations

We shall take special care to preserve the global environment in our business activities, protect the safety and health of employees and the public in our operations, and make efforts to prevent accidents, disasters, and pollution.

- Providing safe products to society

We shall quickly and accurately ascertain society's demands, making use of them in product design and manufacture, and shall provide products and services that customers can trust and use with peace of mind.

We shall also provide society with products and services that are safe, reliable, and environmentally friendly throughout the entire lifecycle, from product research and development through production and marketing to disposal.

- Managing and putting to use environmental and safety information

We shall centrally manage appropriate information on the correct handling and disposal methods of our products as well as the environment, safety, and disaster prevention and shall provide such information to consumers, users, companies involved in product delivery, and others.

- Building better relationships with society

We shall practice proper public relations through the provision of environmental and safety information, bearing in mind the concerns of administrative authorities and the public. We shall also participate actively as a citizen in the activities of civil society and strive to maintain and build better relationships with society.

Management Structure

GRI 2-24, GRI 403-1

Promotion Structure of RC Activities and RC Management System: Kureha

Kureha's RC activities include the following seven items: environmental protection, safety and disaster prevention, occupational safety and health, product safety & quality assurance, logistics safety, energy management, and community relations. These seven items are integrated into one RC management system, with each item promoted primarily by a department covering that area under the Responsible Care Subcommittee, a subcommittee of the Sustainability Coordination Committee. These departments formulate a plan for every fiscal year, promote activities, then receive reviews of activity results from management, and reflect these results in the next fiscal year's activity plan.

We aim to continually improve results through such a PDCA (Plan, Do, Check, Act) Cycle. We have also

acquired external certification for our Environmental Management System (ISO 14001), Quality Management System (ISO 9001), and Occupational Safety and Health Management System (ISO 45001)*, and we are working to utilize this in maintaining and improving each Management System.

* Please contact us for more information about the scope of our ISO certification.

■ The Kureha Group RC Council

Under the Responsible Care Subcommittee, we established the Kureha Group RC Council, consisting of Kureha and Group companies in Japan that have declared the implementation of RC. The Council also has working groups to promote each activity. The RC Council promotes activities as a Group by sharing the plans, goals, and issues of RC activities to the entire Group, and by understanding and discussing the activities of each company and working group.

Management System Audit: Kureha

GRI 3-3

The results of the reviews of our RC Management System and the external examinations of each ISO Management System are reported to the Sustainability Coordination Committee, which then deliberates on how to address important issues of concern.

In fiscal 2020, we decided it was necessary to strengthen company-wide measures for environmental management, for which regulations are becoming stricter globally. We discussed clarifying systems and responsibilities for a more effective management system, and improvements are underway. Since then, in line with the reinforcement measures formulated, we have been promoting improvements by strengthening RC audits as well as regularly providing management and employees with education on environmental laws and regulations to ensure that they are fully aware of legal requirements.

Strengthen Research and Technology Development Capabilities

↓ Research and Technology Development System ↓ Initiative(s)/Activity(ies)

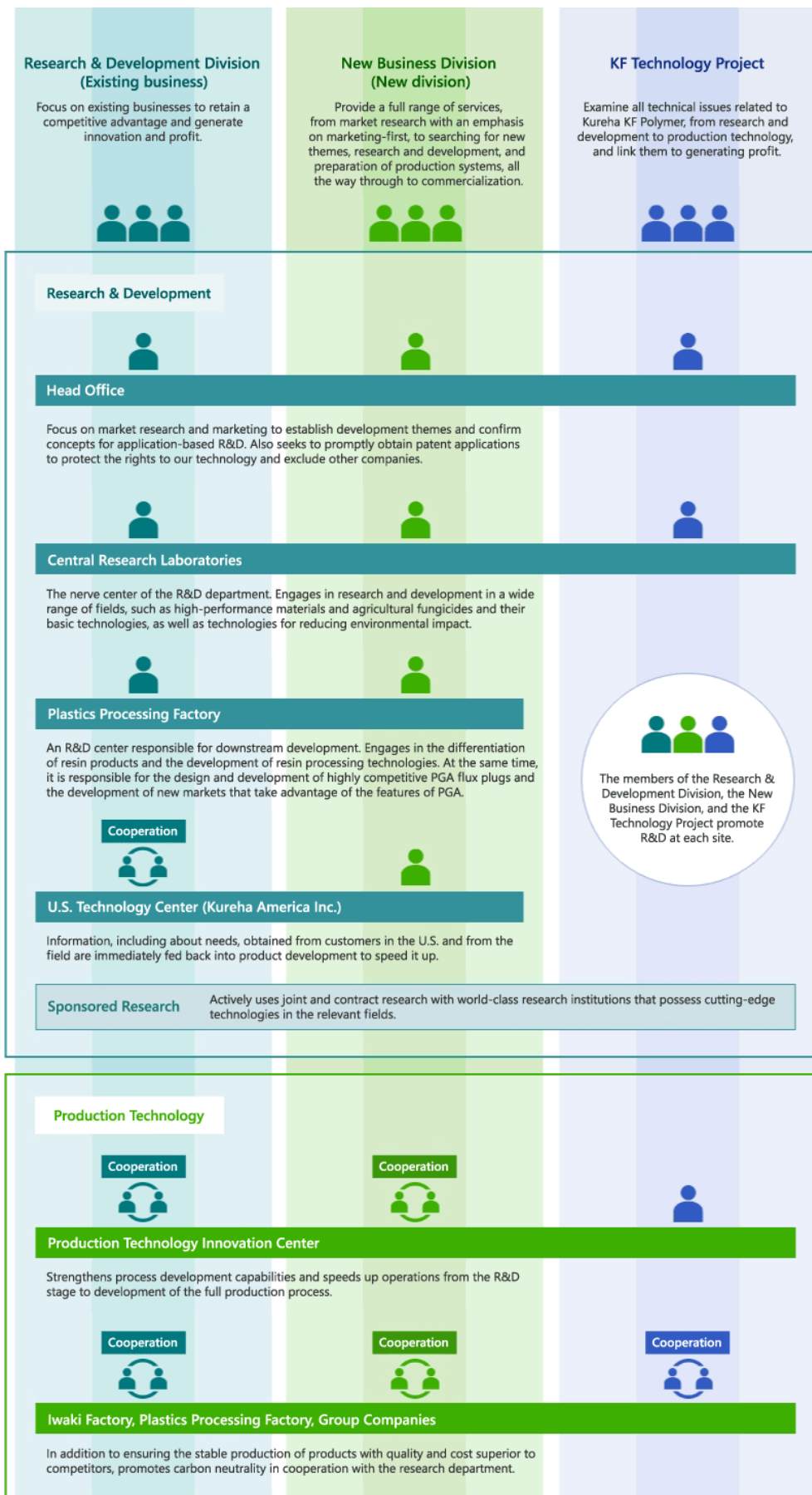
Kureha's vision is to be "a specialty solutions company that leverages proprietary technology and contributes to a new future for society," and one of the most important measures of its mid- to long-term management plan is to revive Kureha's technology-driven focus. And with policies below, promote new business development, new product development, and the strengthening of process development capability and production capacity.

Revival of Kureha's Technology-Driven Focus

- Focus resources on new product development and reduce environmental impact, accelerate development of differentiated products
- Create and expand new businesses by fusing proprietary and external technologies through collaboration and cooperation with other companies, M&A, etc.
- Strengthen production technology and engineering capabilities to build a production system for growth businesses and reduce environmental impact

Research and Technology Development System

In April 2023, Kureha reorganized its organization to maximize R&D capabilities and create new businesses, and established a New Business Division dedicated to corporate research. The organization has been flattened to improve agility and establish a structure that enables rapid decision-making. Also, in November 2023, the KF Project was established to bring together various technology development functions under a single chain of command in order to speed up the resolution of technological issues for KF Polymers.



Initiative(s)/Activity(ies)

Establishment of the New Business Division

Kureha established the New Business Division in April 2023.

In this division, market needs and applications are clarified at the stage of setting development themes, centered on application-based development, and differentiation, including patentability, business economics are confirmed, and the business model is solidified before moving forward with development activities. However, the division also takes on the challenge of developing themes with extremely high technology-based innovation, and conducts development and marketing activities in tandem.

The New Business Division has three departments: the New Business Products and Marketing Department, the New Business Development Department, and the New Business Creation Department. Highly specialized personnel are assigned to each department to understand market needs and investigate trends in cutting-edge technologies. In particular, the New Business Creation Department, is based in Houston, Texas, U.S.A., conducts marketing in the U.S., and scouts for technology at universities and start-ups.

Establishment of a Tokyo Research Center

In our R&D activities, we face the challenges of securing excellent human resources, strengthening our information-gathering capabilities, collaborating with external research institutions, and integrating marketing and R&D. We decided to establish a Tokyo Research Center in FY2024 as a way to set up an R&D structure to solve these challenges. the Tokyo Research Institute is equipped with various experimental facilities, is conveniently located in Tokyo, and can be expected to have active communication with external organizations. By utilizing these facilities, we will continue to promote the development of unique and differentiated technologies and products.

Development of Technology for PVDF for Automotive Lithium-ion Battery Binders

Kureha decided to expand its production capacity for PVDF (Kureha KF Polymer) for automotive lithium-ion battery binders in response to the expanding electric vehicle market, and is building an optimal global supply system. The KF Technology Project, established in November 2023, studies technical issues across all divisions related to Kureha KF polymers, from research and development to production technology.

For more information on the development of existing products, please refer to the following pages.

→ [Contributing to the Solution of Environmental and Social Issues through Our Business](#)

Promotion of New Business Development

We are working on development themes in the fields of environment and energy, life, and information and telecommunications from a marketing-first perspective, utilizing other companies' technologies, and expanding globally.

3-D Touch Panel

By combining KUREHA's PVDF transparent piezoelectric film with a signal processing algorithm developed by Cambridge Touch Technologies of the UK, it is now possible to make a touch panel that detects pressing. With this technology it is possible to use a touch panel even underwater or with gloves on, and prevents unintentional actuation because it requires the user to "push" the touch panel.

SiC Fibers for Aircraft Engine Components

Ceramic composites using SiC (silicon carbide) fiber are used as substitutes for metal parts in aircraft to reduce weight and improve fuel efficiency. We are developing SiC fiber with higher performance and price competitiveness than existing products of other companies. Currently, we are working on the development of a mass production process at our Iwaki Plant, with the aim of commercialization around 2030.

PFAS Detoxification Technology

PFAS (per- and polyfluoroalkyl substances) are chemicals that don't decompose in the environment easily and are increasingly regulated in many countries. In collaboration with Claros Technologies, a U.S. startup company, we are developing a complete detoxification process that converts PFAS into safe byproducts, aiming to build a business model that will contribute to reducing environmental impact.

Effective Use of Intellectual Property

To grow, promote, and facilitate our business activities, Kureha engages in intellectual property activities based on the following basic policies.

Basic Policy for our Intellectual Property

1. Formulation and execution of intellectual property strategies for the resolution of management issues
2. Acquisition and utilization of intellectual property rights to secure business competitiveness
3. Elimination of obstacles to business originating in the intellectual property rights of other parties

Our main intellectual property activities are as follows:

- We formulate and execute intellectual property strategies that utilize analyses of the competitive environment based on patents, markets, competitive information, and other factors, in collaboration with relevant departments of the Company.
- We consider the usefulness in business of intellectual property rights and secure usable rights that can be exercised against other companies. We also maximize the restraining power of our specific intellectual property rights to build effective high barriers to entry.
- We conduct regular intellectual property clearance surveys for every product and in-development work, and strive to prevent infringement of the intellectual property rights of other parties.
- We conduct annual conferences among our research and development department, business department, and Intellectual Property Department to make appropriate intellectual property investments in line with our business plans and R&D plans.

Contributing to the Solution of Environmental and Social Issues through Our Business

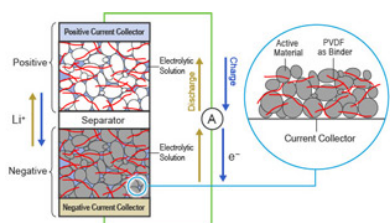
The Kureha Group is contributing to the solution of social issues such as carbon neutrality and contributing to the energy supply, contributing to the stable production and supply of food, contributing to vibrant lifestyles, and contributing to the development of the information society through our chemical-based products and services.

- ↓ Carbon Neutrality and Contributing to the Energy Supply
- ↓ Contributing to the Stable Production and Supply of Food
- ↓ Contributing to Vibrant Lifestyles
- ↓ Contributing to the Development of the Information Society

Carbon Neutrality and Contributing to the Energy Supply

"KF Polymer" Polyvinylidene Fluoride (PVDF)

Contributing to the Reduction of CO₂ Emissions with Lithium-ion Battery Binders



Composition of Lithium-ion Battery (Diagram) and Adhesion of Active Material and Aggregate

→ [Click here to check the enlarged view](#)



Social Background

As the movement toward a carbon-neutral and decarbonized society gains momentum, environmental regulations are being tightened in many countries.

The European Commission has set a goal that all new cars sold in the European Union (EU) after 2035 will, in principle, be zero CO₂ emission vehicles, and the US has set a goal of electric cars accounting for at least one-third of new car sales by 2032. Also, China has announced that all new cars sold will be eco-friendly vehicles by 2035.

Against this backdrop, the global automobile sales market has been witnessing an active shift

from gasoline- and diesel-fueled vehicles to electric vehicles (EVs) and other environmentally friendly vehicles.

Value Provided to Society

A key technology for promoting the shift to EVs is the on-board battery. Lithium-ion batteries are currently used in most electric vehicles due to their high energy density and low degradation from repeated charging and discharging. There is now a strong need to solve issues such as improving the reliability of lithium-ion batteries, increasing their capacity and output to extend driving range, high-speed recharging, reducing battery costs, and increasing recharging facilities. Our KF polymers satisfy various performance requirements of binders for lithium-ion batteries: showing high adhesion to active materials and current collectors, electrical stability over a wide potential range, and high lithium-ion permeability. For these reasons they are widely used in automotive lithium-ion batteries, which require long-term reliability.

Growth Strategy

As a pioneer in lithium-ion battery binders, we are actively developing binders for ternary cathode active materials and iron phosphate active materials (LFP). In addition, we are constructing a new factory under a plan to increase production capacity to meet the increasing demand for automotive lithium-ion batteries. At the same time, we are striving to reduce environmental impact and costs by improving production efficiency. Furthermore, in anticipation of the needs of the times, we will actively proceeding to be ready for the next generation of automotive batteries, such as all solid-state batteries.

Contributing to the Stable Production and Supply of Food Agricultural Products

Contributing to Improved Crop Productivity with Agrochemicals



Social Background

According to the United Nations Population Fund's (UNFPA) *State of World Population 2023*, in November 2022, the world population surpassed 8 billion for the first time. That global population is expected to reach 9.7 billion by 2050, with the majority of that population growth occurring in developing countries (United Nations Department of Economic and Social Affairs, *World Urbanization Prospects 2019 Revision*). As the demand for food expands with the growth of the world population, agrochemicals have played an important role as a production material for effective use of limited farmland and to support stable and sustainable increases in agricultural production.

Value Provided to Society

Kureha is committed to the research and development of agrochemicals that enhance agricultural productivity while protecting the environment, aiming for a symbiotic relationship between people who grow food, people who eat food, and ecosystems. Kureha's agricultural fungicides, which require only a small amount of chemicals to produce outstanding results and have a low environmental impact, are making a significant contribution to improving agricultural productivity around the world.

Metconazole is a fungicide that is highly effective against important diseases of wheat and corn. In 1994, after the registration of metconazole as a fungicide in France, the number of countries where it is registered has increased. It is now used in over 40 countries around the world, primarily in Europe, and North and South America, as a fungicide for wheat, corn, rape, and soy, etc.

Ipconazole is used to disinfect seeds prior to sowing. It is highly effective in controlling seed-borne and soil-borne diseases at low chemical doses. Since its launch in Japan in 1994, it has gained a large share of the paddy rice seed disinfectant market. Overseas, it is sold as a seed disinfectant for corn, wheat, soybean, and other crops primarily in North America, Latin America, and Asia.

Growth Strategy

As the demand for food grows in tandem with the increase in the world's population, the need for agricultural chemicals is increasing and is expected to continue to grow. Also, seed disinfection is attracting attention as a treatment method with less environmental impact, and is expected to grow in overseas markets.

In addition to existing agrochemicals, we will work to develop new products that contribute to sustainable agriculture and a stable supply of food, such as agrochemicals that are designed to have less impact on producers, consumers, and the environment.

Contributing to Vibrant Lifestyles

Household-use Products

Making Meals Delicious, and Housework Easier



Social Background

The shape of families around the world continues to change with the times. In Japan, the percentage of dual-earner households has been increasing year by year, and it is said that two-thirds of all households in Japan are now dual-earner households. In addition to the increase in the number of dual-earner households, the declining birthrate and aging population, as well as the shift to nuclear families, many people want to streamline their household chores and spend more quality time with their families, resulting in a variety of

ways people deal with household chores. Also, as lifestyles change, families' view of kitchens is also becoming more varied.

Value Provided to Society

For Kureha to contribute to creating vibrant lifestyles, supports its customers' household chores based on the concept of making life more enjoyable, convenient, and comfortable. Through products closely related to housework, such as the NEW Krewrap household plastic wrap and the Kichinto-San series of products that make the kitchen area fun and convenient, we increase the smiles on the faces of families by making meals more delicious and housework easier.

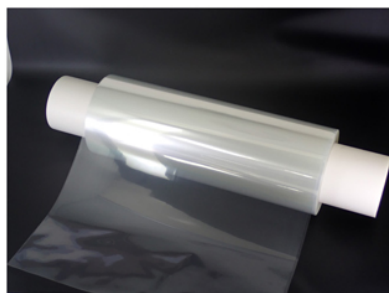
Growth Strategy

With changing lifestyles, the demand for household products for storage and cooking is expected to diversify and expand. We will strive to expand the market by proposing new lifestyles, placing importance on the voice of the customer, those who use our household products.

Contributing to the Development of the Information Society

3D Touch Panels

Widespread Use of 3D Touch Panels Will Make Our Lives More Convenient



Social Background

IoT stands for "Internet of Things." The IoT, which exchanges data in a variety of scenarios, is expected to be widely used in homes, offices, factories, and medical facilities. Development of electronic devices, sensors, networks, applications, etc. is proceeding to make the IoT a reality.

Value Provided to Society

Touch panels have become indispensable in our daily lives as an interface connecting people and electronic devices because they can be operated intuitively. Capacitive touch panels, which are currently the mainstream, detect position based on capacitance changes that occur between the finger and the touch panel, making it impossible to operate a wet touch panel or a touch panel when wearing gloves. We are collaborating with Cambridge Touch Technologies, a UK start-up company, to develop a 3D touch panel capable of load detection using PVDF piezo film. This new functionality of judging by load will enable touch panels to be used in a variety of applications and environments. By providing an interface that can be operated intuitively by more people, the IoT can be used by a variety of people in a variety of situations.

Growth Strategy

The 3D touch panel, a product developed by our company, is transparent, has excellent screen visibility, and can be laminated on top of LCD and OLED displays. It is also thin and flexible, and can be processed into curved surfaces and other shapes. We are currently developing PVDF piezoelectric film with transparent electrodes, for added value, and aim to establish mass production technology in FY2024. Development projects are underway in collaboration with several companies for various applications, such as wearable devices, smartphones, and notebook PCs.

GRI Standards Content Index

GRI Standards Content Index

SASB Content Index


The Kureha sustainability refers to the GRI Sustainability Reporting Standards.

In principle, the reporting time frame for Kureha's CSR activities is the same as its fiscal year (from April 2023 to March 2024). However, some sections of this report may refer to the calendar year (from January 2023 to December 2023) or activities after April 1, 2023.



2 : General Disclosures

GRI 2 : General Disclosures 2021




1. The organization and its reporting practices

Standard		Disclosure
2-1	Organizational details	→ Corporate Profile → The Kureha Group Network → Group Companies in Japan → Overseas Group Companies
2-2	Entities included in the organization's sustainability reporting	→ Coverage
2-3	Reporting period, frequency and contact point	→ Reporting Period → Updates of the Sustainability English Site → FAQ/Contact(CSR Department)
2-4	Restatements of information	→ ESG Data Collection (Environment)(Social) (Kureha Group Companies Corporate data, Performance data) 
2-5	External assurance	The authenticity of some data has been confirmed by an in-house safety review

2. Activities and workers

Standard		Disclosure
2-6	Activities, value chain, and other business relationships	→ Product Groups → Value Chains and Sustainability Activities → Major purchasing items
2-7	Employees	→ ESG Data Collection (Social) 
2-8	Workers who are not employees	→ ESG Data Collection (Social) 

3. Governance

Standard		Disclosure
2-9	Governance structure and composition	→ Corporate Governance Structure → Corporate Governance Report II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management 
2-10	Nomination and selection of the highest governance body	→ Corporate Governance Structure → Corporate Governance Report I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information 
2-11	Chair of the highest governance body	→ Corporate Governance Structure → Corporate Governance Report II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management 
2-12	Role of the highest governance body in overseeing the management of impacts	→ Promotion of Sustainability Activities → Annual Securities Report, Sustainability Philosophy and Initiatives (Japanese Only) 
2-13	Delegation of responsibility for managing impacts	→ Promotion of Sustainability Activities
2-14	Role of the highest governance body in sustainability reporting	→ Promotion of Sustainability Activities → Editorial Policy
2-15	Conflicts of interest	→ Corporate Governance Report I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information 
2-16	Communication of critical concerns	→ Whistleblowing System
2-17	Collective knowledge of the highest governance body	—
2-18	Evaluation of the performance of the highest governance body	→ Assessment of the Effectiveness of the Board of Directors
2-19	Remuneration policies	→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) 
2-20	Process to determine remuneration	→ Annual Securities Report, Remuneration for Officers, etc. (Japanese Only) 
2-21	Annual total compensation ratio	→ ESG Data Collection (Governance) 

4. Strategy, policies and practices

Standard		Disclosure
2-22	Statement on sustainable development strategy	→ Message from the President
2-23	Policy commitments	→ Overview of Kureha Group Policies → Kureha Group Supply Chain CSR Guidelines 
2-24	Embedding policy commitments	→ Human Rights Efforts → Shareholders and Investors Management Structure → Risk Management Management Structure → Ethics and Compliance Management Structure → Compliance Education → Information Security Management Structure → Responsible Care Activities Management Structure
2-25	Processes to remediate negative impacts	→ Kureha Group Charter of Corporate Behavior → Grievance Mechanisms → Whistleblowing System → Risk Management Implementation
2-26	Mechanisms for seeking advice and raising concerns	→ Whistleblowing System → ESG Data Collection (Governance) 
2-27	Compliance with laws and regulations	→ ESG Data Collection (Governance)  No violations of the law
2-28	Membership associations	Japan Economic Federation, Japan Chemical Industry Association, Japan Soda Industry Association, Japan Technology Association of Poly Vinylidene Chloride, Battery Association for Supply Chain, United Nations Global Compact Associations related to pharmaceuticals: The Federation of Pharmaceutical Manufacturers' Association of Japan (FPMAJ), The Pharmaceutical Manufacturers' Association of Tokyo (PMAT), Pharmaceutical Manufacturers' Association of Fukushima

5. Stakeholder engagement

Standard		Disclosure
2-29	Approach to stakeholder engagement	→ Promoting Dialogue with Stakeholders → Dialogue with Shareholders and Investors → Supply Chain CSR Survey → Labor-Management Relations → CSR Local Dialogue Meeting
2-30	Collective bargaining agreements	→ Labor-Management Relations Percent of labor union members 100%* * Number of labor union members ÷ Number of eligible people × 100 (excluding those stipulated in the labor agreement)

3 : Material Topics

GRI 3 : Material Topics 2021





Standard		Disclosure
3-1	Process to determine material topics	→ Steps for Identifying Material Issues
3-2	List of material topics	→ Material Issues and Sustainability Issues
3-3	Management of material topics	→ Management System Audit: Kureha → Material Issues and Sustainability Issues

Topic specific Standards

GRI 101: Biodiversity 2024

Standard		Disclosure
101-1	Policies to halt and reverse biodiversity loss	—
101-2	Management of biodiversity impacts	—
101-3	Access and benefit-sharing	—
101-4	Identification of biodiversity impacts	→ Addressing Biodiversity
101-5	Locations with biodiversity impacts	→ Addressing Biodiversity
101-6	Direct drivers of biodiversity loss	—
101-7	Changes to the state of biodiversity	—
101-8	Ecosystem services	—



GRI 201: Economic Performance 2016

Standard		Disclosure
201-1	Direct economic value generated and distributed	→ Annual Securities Report, Key Financial Data (Japanese Only)  → ESG Data Collection (Governance) 
201-2	Financial implications and other risks and opportunities due to climate change	→ Scenario Analysis
201-3	Defined benefit plan obligations and other retirement plans	→ Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only) 
201-4	Financial assistance received from government	→ Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only) 

GRI 202: Market Presence 2016

Standard		Disclosure
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	→ Labor-Management Relations → Recruitment Requirements (Japanese Only)
202-2	Proportion of senior management hired from the local community	—

GRI 203: Indirect Economic Impacts 2016

Standard		Disclosure
203-1	Infrastructure investments and services supported	→ Kureha-kai Medical Corporation (Kureha General Hospital) → ESG Data Collection (Social) 
203-2	Significant indirect economic impacts	→ ESG Data Collection (Governance)  There were no significant indirect economic impacts identified.

GRI 205: Anti-corruption 2016

Standard		Disclosure
205-1	Operations assessed for risks related to corruption	→ Management Structure → Compliance Education
205-2	Communication and training about anti-corruption policies and procedures	→ Compliance Education → Kureha Group Anti-Bribery Policy → ESG Data Collection (Governance) 
205-3	Confirmed incidents of corruption and actions taken	→ Management Structure No instances of fines.

GRI 206: Anti-competitive Behavior 2016

Standard		Disclosure
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	N/A

GRI 207: Tax 2019

Standard		Disclosure
207-1	Approach to tax	→ Kureha Group Tax Policy
207-2	Tax governance, control, and risk management	→ Kureha Group Tax Policy → Management Structure
207-3	Stakeholder engagement and management of concerns related to tax	→ Kureha Group Tax Policy → Management Structure
207-4	Country-by-country reporting	—

GRI 301: Materials 2016

Standard		Disclosure
301-1	Materials used by weight or volume	—
301-2	Recycled input materials used	—
301-3	Reclaimed products and their packaging materials	—

GRI 302: Energy 2016




Standard		Disclosure
302-1	Energy consumption within the organization	→ Overview of Kureha Group's Environmental Impact (FY2023) → Use of Renewable Energy Sources → ESG Data Collection (Environment)
302-2	Energy consumption outside of the organization	—
302-3	Energy intensity	→ ESG Data Collection (Environment)
302-4	Reduction of energy consumption	→ ESG Data Collection (Environment)
302-5	Reductions in energy requirements of products and services	Not applicable. Reason: Most of the Group's products are intermediate products, and post-sale processing, final products, and end consumers vary widely.

GRI 303: Water and Effluents 2018




Standard		Disclosure
303-1	Interactions with water as a shared resource	→ Water Use and Prevention of Water Pollution → Analysis of Water Risk at Direct Operation Sites → Production Site
303-2	Management of water discharge-related impacts	→ Water Use and Prevention of Water Pollution
303-3	Water withdrawal	→ ESG Data Collection (Environment) → Overview of Kureha Group's Environmental Impact (FY2023)
303-4	Water discharge	→ ESG Data Collection (Environment) → Water Use and Prevention of Water Pollution → Overview of Kureha Group's Environmental Impact (FY2023)
303-5	Water consumption	—

GRI 305: Emissions 2016

Standard		Disclosure
305-1	Direct (Scope 1) GHG emissions	→ Metrics and Targets → ESG Data Collection (Environment)
305-2	Energy indirect (Scope 2) GHG emissions	→ Metrics and Targets → ESG Data Collection (Environment)
305-3	Other indirect (Scope 3) GHG emissions	→ Metrics and Targets → ESG Data Collection (Environment)

Standard		Disclosure
305-4	GHG emissions intensity	—
305-5	Reduction of GHG emissions	→ Metrics and Targets → ESG Data Collection (Environment) 
305-6	Emissions of ozone-depleting substances (ODS)	→ ESG Data Collection (Environment) 
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	→ ESG Data Collection (Environment)  → Overview of Kureha Group's Environmental Impact (FY2023)




GRI 306: Waste 2020

Standard		Disclosure
306-1	Waste generation and significant waste-related impacts	Analyzing
306-2	Management of significant waste-related impacts	→ Awareness of, and Initiatives on, Marine Plastic Pollution and Recycling of Plastics
306-3	Waste generated	→ ESG Data Collection (Environment) 
306-4	Waste diverted from disposal	→ ESG Data Collection (Environment) 
306-5	Waste directed to disposal	→ ESG Data Collection (Environment)  → Overview of Kureha Group's Environmental Impact (FY2023)

GRI 308: Supplier Environmental Assessment 2016

Standard		Disclosure
308-1	New suppliers that were screened using environmental criteria	—
308-2	Negative environmental impacts in the supply chain and actions taken	→ Initiative(s)/Activity(ies)




GRI 401: Employment 2016

Standard		Disclosure
401-1	New employee hires and employee turnover	→ ESG Data Collection (Social) 
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	→ Annual Securities Report, Notes to the Consolidated Financial Statements (Japanese Only)  → Work-Life Balance → Mental and Physical Health Management
401-3	Parental leave	→ ESG Data Collection (Social) 



GRI 402: Labor/Management Relations 2016

Standard		Disclosure
402-1	Minimum notice periods regarding operational changes	→ Labor-Management Relations




GRI 403: Occupational Health and Safety 2018

Standard		Disclosure
403-1	Occupational health and safety management system	→ Occupational Safety and Health Management System → Management Structure → ESG Data Collection (Information on external certification) 
403-2	Hazard identification, risk assessment, and incident investigation	→ Promoting Safety Activities Throughout the Group → Chemical Substance Risk Assessment in the Workplace → Whistleblowing System
403-3	Occupational health services	→ Mental and Physical Health Management
403-4	Worker participation, consultation, and communication on occupational health and safety	→ Safety and Health Committee and Health Committee → Occupational Safety and Health Awareness Programs
403-5	Worker training on occupational health and safety	→ Skills Training Center → Eliminating Logistics Accidents → Disaster Prevention and Safety in Logistics → Occupational Safety and Health Awareness Programs
403-6	Promotion of worker health	→ Mental and Physical Health Management
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	→ Safety and Health, Security and Prevention of Industrial Disasters, and Safety in Logistics
403-8	Workers covered by an occupational health and safety management system	→ Occupational Safety and Health Management System
403-9	Work-related injuries	→ Target(s) and What We Have Done/Are Doing → ESG Data Collection (Social) 
403-10	Work-related ill health	→ Chemical Substance Risk Assessment in the Workplace → ESG Data Collection (Social) 

GRI 404: Training and Education 2016

Standard		Disclosure
404-1	Average hours of training per year per employee	→ ESG Data Collection (Social) 
404-2	Programs for upgrading employee skills and transition assistance programs	→ Human Capital Development System → Encouraging Senior Human Capital
404-3	Percentage of employees receiving regular performance and career development reviews	→ ESG Data Collection (Social) 

GRI 405: Diversity and Equal Opportunity 2016

Standard		Disclosure
405-1	Diversity of governance bodies and employees	→ Annual Securities Report, Information about Officers (Japanese Only)  → ESG Data Collection (Social) 
405-2	Ratio of basic salary and remuneration of women to men	→ ESG Data Collection (Social) 

GRI 406: Non-discrimination 2016

Standard		Disclosure
406-1	Incidents of discrimination and corrective actions taken	N/A

GRI 407: Freedom of Association and Collective Bargaining 2016

Standard		Disclosure
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	N/A

GRI 408: Child Labor 2016

Standard		Disclosure
408-1	Operations and suppliers at significant risk for incidents of child labor	N/A

GRI 409: Forced or Compulsory Labor 2016

Standard		Disclosure
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	→ Supply Chain CSR Survey

GRI 411: Rights of Indigenous Peoples 2016

Standard		Disclosure
411-1	Incidents of violations involving rights of indigenous peoples	N/A


GRI 413: Local Communities 2016

Standard		Disclosure
413-1	Operations with local community engagement, impact assessments, and development programs	→ Local Community
413-2	Operations with significant actual and potential negative impacts on local communities	N/A


GRI 414: Supplier Social Assessment 2016

Standard		Disclosure
414-1	New suppliers that were screened using social criteria	—
414-2	Negative social impacts in the supply chain and actions taken	→ Supply Chain CSR Survey


GRI 415: Public Policy 2016

Standard		Disclosure
415-1	Political contributions	→ ESG Data Collection (Governance) 

GRI 416: Customer Health and Safety 2016

Standard		Disclosure
416-1	Assessment of the health and safety impacts of product and service categories	→ Product Safety and Quality Assurance → Safety Examinations → ESG Data Collection (Governance) 
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	N/A

GRI 417: Marketing and Labeling 2016

Standard		Disclosure
417-1	Requirements for product and service information and labeling	→ Management of Chemical Substances → Safety Examinations
417-2	Incidents of non-compliance concerning product and service information and labeling	N/A
417-3	Incidents of non-compliance concerning marketing communications	N/A → Safety Examinations → ESG Data Collection (Governance) 

GRI 418: Customer Privacy 2016

Standard		Disclosure
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	N/A



SASB Content Index

GRI Standards Content Index

SASB Content Index

This is an index of disclosed information in accordance with the SASB Standards, a framework for ESG disclosure published by the U.S. Sustainability Accounting Standards Board (SASB).
(The table below refers to the criteria for the Chemicals industry in the Resource Transformation sector and indicates where the relevant information is located.)

Table 1. Sustainability Disclosure Topics & Metrics

TOPIC	METRIC	UNIT OF MEASURE	CODE	Disclosure
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissionslimiting regulations	Metric tonnes (t) CO ₂ -e, Percentage(%)	RT-CH-110a.1	→ Kureha Group Energy-related CO₂ Emission
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	n/a	RT-CH-110a.2	→ Strategy
				→ Scenario Analysis
				→ Metrics and Targets
Air Quality	Air emissions of the following pollutants: (1) NOX (excluding N2O), (2) SOX, (3) volatile organic compounds (VOCs), and (4) hazardous air pollutants (HAPs)	Metric tonnes (t)	RT-CH-120a.1	→ ESG Data Collection(Environment) 
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable and (4) total self-generated energy	Gigajoules(GJ), Percentage(%)	RT-CH-130a.1	→ ESG Data Collection(Environment) 

TOPIC	METRIC	UNIT OF MEASURE	CODE	Disclosure
Water Management	(1) Total water withdrawn, (2) total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress	Thousand cubic metres (m ³), Percentage (%)	RT-CH-140a.1	→ ESG Data Collection(Environment) 
	Number of incidents of non-compliance associated with water quality permits, standards and regulations	Number	RT-CH-140a.2	→ ESG Data Collection(Governance) 
	Description of water management risks and discussion of strategies and practices to mitigate those risks	n/a	RT-CH-140a.3	→ Water Use and Prevention of Water Pollution
				→ Understanding the Relationship between Our Business and Nature: Dependence and Impact
				→ Analysis of Water Risk at Direct Operation Sites
Hazardous Waste Management	(1) Amount of hazardous waste generated, (2) percentage recycled	Metric tonnes(t), Percentage(%)	RT-CH-150a.1	→ ESG Data Collection(Environment) 
Community Relations	Discussion of engagement processes to manage risks and opportunities associated with community interests	n/a	RT-CH-210a.1	→ CSR Local Dialogue Meeting
Workforce Health & Safety	(1) Total recordable incident rate (TRIR) and (2) fatality rate for (a) direct employees and (b) contract employees	Rate	RT-CH-320a.1	→ ESG Data Collection(Social) 
	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	n/a	RT-CH-320a.2	→ Management Structure
				→ Prevention of Lifestyle-Related Diseases and Enhancement of Health Management
				→ Promoting Mental Health Care
				→ Promoting Anti-tobacco Policies
				→ Chemical Substance Risk Assessment in the Workplace
Product Design for Use-phase Efficiency	Revenue from products designed for usephase resource efficiency	Presentation currency	RT-CH-410a.1	—

TOPIC	METRIC	UNIT OF MEASURE	CODE	Disclosure
Safety & Environmental Stewardship of Chemicals	(1) Percentage of products that contain Globally Harmonised System of Classification and Labelling of Chemicals(GHS) Category 1 and 2 Health and Environmental Hazardous Substances, (2) percentage of such products that have undergone a hazard assessment	Percentage(%) by revenue, Percentage(%)	RT-CH-410b.1	—
	Discussion of strategy to (1) manage chemicals of concern and (2) develop alternatives with reduced human or environmental impact	n/a	RT-CH-410b.2	→ Product Safety and Quality Assurance
Genetically Modified Organisms	Percentage of products by revenue that contain genetically modified organisms (GMOs)	Percentage(%) by revenue	RT-CH-410c.1	—
Management of the Legal & Regulatory Environment	Discussion of corporate positions related to government regulations or policy proposals that address environmental and social factors affecting the industry	n/a	RT-CH-530a.1	→ Responsible Care Activities
Operational Safety, Emergency Preparedness & Response	Process Safety Incidents Count (PSIC), Process Safety Total Incident Rate (PSTIR), and Process Safety Incident Severity Rate (PSISR)	Number, Rate	RT-CH-540a.1	→ Target(s) and What We Have Done/Are Doing
	Number of transport incidents	Number	RT-CH-540a.2	→ Eliminating Logistics Accidents

Table 2. Activity Metrics

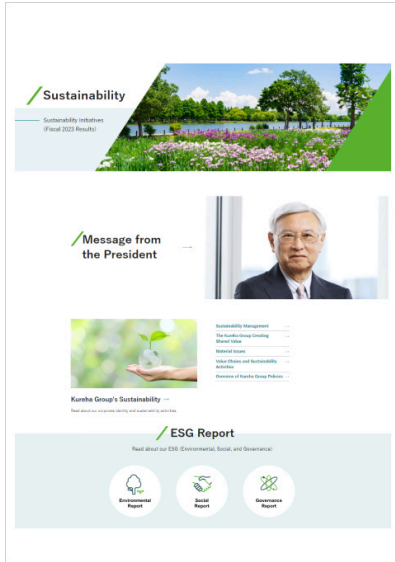
ACTIVITY METRIC		UNIT OF MEASURE	CODE	Disclosure
Production by reportable segment		Cubic metres(m ³) or metric tonnes (t)	RT-CH-000.A	—

Sustainability Report Archive

Here you can find our Sustainability activities and detailed data.

Latest Sustainability Report

Sustainability Report 2024



The PDF version of our Sustainability Website as of August 21 2024 has the title "Kureha Sustainability Report 2024".

- The name of the website and the report will be changed to "Kureha Sustainability Website" and "Kureha Sustainability Report" beginning with the 2023 edition.

The Sustainability English site will be updated from time to time.



→ [ESG Data Collection](#) 

Back Number

→ [Sustainability Report 2023](#)

→ [CSR Report 2021](#)

→ [CSR Report 2019](#) 

→ [CSR Report 2017](#) 

→ [CSR Report 2015](#) 

→ [CSR Report 2022](#)

→ [CSR Report 2020](#) 

→ [CSR Report 2018](#) 

→ [CSR Report 2016](#) 

→ [CSR Report 2014](#) 

External Recognition

The Kureha Group is actively working to promote sustainability, anchored by the Kureha Group Corporate Philosophy. As a result, we have received the following recognition from outside the Company.

- ↓ Inclusion in ESG Indices
- ↓ Recognition by External Parties on ESG

Inclusion in ESG Indices

ESG Indices Selected by GPIF

- MSCI Japan Empowering Women (WIN) Select Index

This index, developed by the U.S.-based MSCI Inc., selects companies that promote women's advancement by calculating a score based on corporate disclosure materials related to gender diversity and publicly announced data from companies under the Act on the Promotion of Women's Active Engagement in Professional Life. Kureha has been included in the index since 2023.

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

- THE INCLUSION OF Kureha Corporation IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF Kureha Corporation BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.

- S&P/JPX Carbon Efficient Index

Developed by U.S.-based S&P Dow Jones Indices LLC and the Tokyo Stock Exchange (JPX), this index weighs companies based on their level of carbon efficiency and environmental information disclosure. Kureha has been included in the index every year since 2018.



- Morningstar Japan ex-REIT Gender Diversity Tilt Index (GenDi J) (Excluding REITs)

This index was developed by U.S.-based Morningstar, Inc. utilizing Equileap's gender equality assessment methodology. Companies that are actively engaged in gender diversity are included in the index with higher investment weightings. Kureha has been included in the index since 2023.

Other ESG Indices

- SOMPO Sustainability Index

This index was developed by SOMPO Asset Management Co., Ltd. by combining SOMPO Risk Management Inc.'s assessment of each aspect of ESG with stock valuation. The index consists of approximately 300 Japanese companies with excellent ESG performance and has been adopted by several pension funds and institutional investors. Kureha has been included in the index since 2013.



Recognition by External Parties on ESG

Recognized as a Health & Productivity Management Outstanding Organization by the Nippon Kenko Kaigi

- Recognized as a Health & Productivity Management Outstanding Organization by the Nippon Kenko Kaigi

This is a program to recognize enterprises, from large corporations to small and medium enterprises, that practice particularly excellent health and productivity management based on their efforts to address local health issues and their promotion of Nippon Kenko Kaigi's health promotion initiatives. Kureha has been recognized as a Health & Productivity Management Outstanding Organization (large enterprise category) every year since 2021.



Sustainability Site Editing Policy and Contents of the Report

↓ Editorial Policy

↓ Contents of the Report

Editorial Policy

GRI 2-14

The Sustainability Website will convey the Kureha Group's approach to sustainability issues and its initiatives with the aim of deepening the understanding of all stakeholders.

The information presented is based on the material issues decided on by the Board of Directors.

We put all types of numerical ESG data in the "ESG Data Collection" and work for comprehensive information disclosure.

The website as it is as of August 21, 2024, will be compiled in PDF format and archived as the "Kureha Sustainability Report" at the end of August.

The information in this report has been verified by the Chairman of the Sustainability Coordination Committee (Executive Vice President).

The Kureha Group announced its implementation of Responsible Care (RC) in 1995, and began publishing a Responsible Care Report to report on its RC activities. Starting in 2010, we combined the three categories of a Company's foundation, its social report, and its RC and environmental reporting into CSR activities, and started publishing these activities in our CSR reports. Since fiscal 2021, we have shifted from the traditional booklet-centric format to a CSR Site, and have been disclosing and disseminating information on the Group's various CSR activities. The name of the site was changed to Sustainability in FY2023. Past information is available in the archive.

Contents of the Report

Coverage (As of March 31, 2024)

GRI 2-2

Kureha Corporation and Group Companies

Kureha Corporation and Its 28* Consolidated Subsidiaries:

○ ■ ■ ■ ■	Kureha Corporation	○ ■	Kureha Europe B.V.
■ ■ ■ ■ ■	Kureha Trading Co., Ltd.	○ ■	KREHALON B.V.
○ ■	Resinous Kasei Co., Ltd.	■	Kureha GmbH
○ ■	Kureha Gohsen Co., Ltd.	■	KREHALON Australia Pty Ltd.
○ ■	Kureha Extron Co., Ltd.	■ ■	Kureha America Inc.
■	Kureha Unyu Co., Ltd.	○ ■	Kureha PGA LLC
■	Kureha Unyu Truck Co., Ltd.	■	Kureha Energy Solutions LLC
■	Kureha Ecology Management Co., Ltd.	■ ■	Kureha (China) Investment Co., Ltd.
■	Himeyuri Total Work Co., Ltd.	○ ■	Kureha (Changshu) Fluoropolymers Co., Ltd.
■	Kureha Construction Co., Ltd.	○ ■	Kureha (Shanghai) Carbon Fiber Materials Co., Ltd.
■	Kureha Denki Co., Ltd.	○ ■	Kureha Vietnam Co., Ltd.
■	Kureha Setsubi Co., Ltd.		
■	Kureha Koji Co., Ltd.		
■	Kureha Service Co., Ltd.		
■	Kureha Engineering Co., Ltd.		
■	Kureha Special Laboratory Co., Ltd.		
■	Kureha Staff Service Co., Ltd.		
■	Kureha-kai Medical Corporation (Kureha General Hospital)		
○ Manufacturing	■ Advanced Materials		
	■ Specialty Chemicals		
	■ Specialty Plastics		
	■ Construction		
	■ Other Operation		

* As of April 1, 2024, Kureha Engineering Co., Ltd. was merged into Kureha Construction Co., Ltd. and Kureha Staff Service Co., Ltd. was merged into Kureha Service Co., Ltd. (27 consolidated subsidiaries as of April 1)

Non-Consolidated Subsidiaries 2 Companies: Kureha Korea Co., Ltd., Sunshine Kureha Co., Ltd.

Special Subsidiary 1 Company: Sunshine Kureha Co., Ltd.

- Fortron Industries LLC, Keiyo Monomer Co., Ltd., Iwaki Sanso Center Co., Ltd., ELMTECH ELECTRONICS INDUSTRIES CO., LTD., Chemicals Kogyo, and NIPPON MEDICAL WASTE MANAGEMENT are not included in the scope of this report because they are companies related to the equity method.

Reporting Period

GRI 2-3

In principle, the reporting time frame for Kureha's CSR activities is the same as its fiscal year (from April 2023 to March 2024). However, some sections of this report may refer to the calendar year (from January 2023 to December 2023) or activities after April 1, 2024.

Reporting Guidelines

GRI "Sustainability Reporting Standards"

→ [GRI Standards Content Index](#)

SASB (Sustainability Accounting Standards Board) Standards

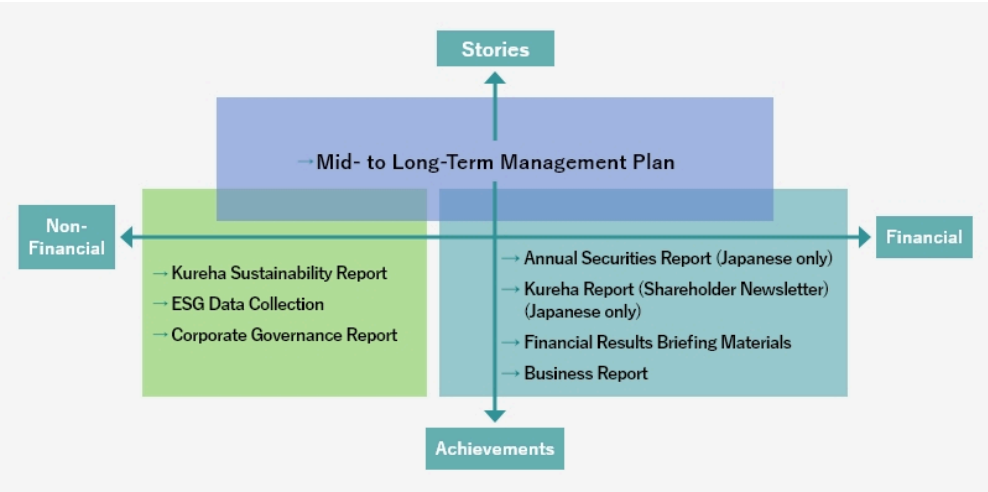
→ [SASB Content Index](#)

Ministry of Environment "Environmental Report Guidelines (2012 edition/2018 edition)"

Task Force on Climate-related Financial Disclosures (TCFD)

Disclosure Structure

In addition to this website, the Kureha website also discloses explanatory materials on financial results and Mid- to Long-Term Management Plan in the "Annual Securities Report" (Japanese only) and "Financial Results Briefing Materials".



Updates of the Sustainability English Site

GRI 2-3

August 2024 (updated annually, previous edition: October 2023, next edition: scheduled for August 2025)

Disclaimer

This site and the Sustainability report include not only past and present facts about Kureha Corporation and Group Companies, but also forecasts of the future based on plans and outlooks at the time of publication and issuance. These forecasts are assumptions or judgments based on the information available at the time of writing and can be invalidated by unforeseen changes in conditions. The figures in the tables and graphs are rounded to the nearest unit. As a result, totals and breakdown totals may not agree. In addition, some of the figures in the tables and graphs have been revised from previous years due to changes in the target range and revision of the calculation method. Thank you for your understanding.



For inquiries about the Kureha Sustainability Report:

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CSR Department

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103-8552

<https://www.kureha.co.jp/>